

New anthrax scare at Blackpool

Part of the Blackpool Tower complex was sealed off when police found a box suspected of containing anthrax in a room at the tower. A few hundred yards from the Winter Gardens, the box was sent to the Chemical Defence Establishment at Porton, Wiltshire. A statement received by *The Times* said the box was found by protesters who claim to have collected soil from a Hebridean island used in germ war experiments.

Catholic leaders condemn bombs

The Irish Roman Catholic hierarchy condemned as grossly immoral the IRA's use of bombs in London in which two people were killed and several injured. A statement issued after a three-day meeting at Maynooth, co. Kildare, said those responsible were guilty of shameful murder and that the action dishonoured the name of Ireland.

US sends Egypt two Awacs

The United States has sent two Awacs surveillance aircraft to Egypt as a gesture of support for President Hosni Mubarak, but Administration officials deny America is risking a desert Vietnam. The House of Representatives has defeated the proposal to sell Awacs to Saudi Arabia.

Nobel prize for refugee body

The Nobel Peace Prize, this year worth Swedish Kroner (about £100,000), has been awarded to the Office of the United Nations High Commissioner for Refugees, headed by Mr Poul Hartung, the former Danish Prime Minister.

Agony of doctor in murder trial

A jury at Leicester Crown Court was told of the agonies and distress of Dr Leonard Arthur, a consultant paediatrician, who has denied murdering a Down's syndrome baby. A midwife sister said the mother had said she did not want it.

Missile charge by Morocco

Morocco has said Libya and Algeria shot down two of its aircraft with missiles during fighting with guerrillas. King Hassan said a troop transport and a fighter were shot down with advanced Sam missiles.

Cheers for Prince on Toxteth visit

About 250 residents of the Toxteth district of Liverpool cheered the Prince of Wales after he had opened a new youth centre on the edge of what has become known as "the riot area".

'Astles killed my brother' claim

A witness told the Ugandan High Court in Kampala that Mr Robert Astles, British-born aide to ex-President Amin, killed his brother after opening fire on a canoe in which he and his brother were travelling.

Major-general leaves Army

Major-General Henry Salusbury Dalzell-Payne, against whom charges of evasion of customs duty on wine were dismissed, has resigned from the Army after being called on by the Army Board to do so because of misconduct.

The Sunday Times

The price of *The Sunday Times* will remain at 35p for the foreseeable future. A price rise of 5p was announced last Sunday, but has been cancelled after the failure to reach mutually acceptable terms between the publishers and newsgathers.

Leader page 17
Letter: On young unemployed, from Mr Ray Hurst, and others; IRA bomb in Chelsea, from Mr Andrew Kelly, and Mr James Quinn; *Brideshead Revisited*, from Mr Andrew d'Anral.

Leading articles: Sir Geoffrey Howe: Nobel Peace Prize; Bill Wildlife.

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What Mr Tebbit should tell the Tories at Blackpool today; the dozy world of P. G. Wodehouse, born 100 years ago today.

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Mr David Nations, Major C. W. Hume.

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BL warning of liquidation if strike goes ahead

By Clifford Webb, Midlands Industrial Correspondent

Sir Michael Edwards, chairman of BL, warned leaders of the two main unions and the TUC that if the threatened strike by his 58,000 car workers went ahead he would dismiss those taking part and seek government approval to liquidate the worst-offected plants.

Sir Michael is clearly prepared to gamble his whole future with the state-controlled motor group on his record over the past four years of never making a threat that he was not prepared to back to the limit.

But this time he appears to have lost the support of his strongest union ally, Mr Ernest Duff, president of the moderate Amalgamated Union of Engineering Workers.

Mr Duff said: "This letter is a warning that the Government will not support a strike which could be counter-productive. My union, probably more than any other, has supported BL during the very trying times of the past few years but now it looks as if this will be the first time that the AUEW will be prepared to endorse a strike there."

"We do not appreciate bullying and this attempt to bully a long-suffering workforce could be the last straw," said Sir Michael, who has a very difficult job to do, would consult the unions before launching such a provocative letter.

"I am particularly worried because they repeatedly ask for our help and then act in this dictatorial manner. Sadly, I feel that this time Sir Michael has gone too far."

Sir Michael's warning was in a personal letter to Mr Duff and Mr Alex Kitson, deputy general secretary of the Transport and General Workers Union, and Mr Len Murray, General Secretary of the TUC, a shortened version was distributed to workers in BL's 34 car plants.

He appealed to the three union leaders to intervene to prevent irreparable damage to his company and its employees. A meeting of the BL board that day had been considering the company's corporate business strategy and future plans.

The letter continued: "Following discussions with my fellow directors, we feel it is only right and proper to let you know the course of action which the Board will take in the event of a strike, call being widely supported or effective."

"As mass meetings have been called for Friday in all our car plants, the following facts may enable you to intervene and impact favourably on the jobs of over 100,000 people in BL plus the many others who depend indirectly on the company."

Sir Michael said BL could not afford to increase its 3.8 per cent pay offer because it would lose "hundreds of millions this year. In no circumstances could it use funds earmarked for new cars to pay wage increases unless they

were funded by improved productivity. BL could not stand the widespread damage of a strike for even a few days without prejudicing its investment programme. That was quite apart from the damage it would do in the market place.

The company's cash flow position was too fragile to survive the implications of heavy additional and unbudgeted costs.

If at its meeting on October 28 the board judged that there was widespread support for a strike it would have no alternative but to decide not to proceed with its 1982 business plan which was due to be submitted to the Government at the end of October.

Strikers would be in breach of their employment contracts and the employment would be terminated with loss of any redundancy payments or payments in lieu of notice.

The board would also consult the Government on the steps which would be needed to liquidate those parts of the business within the cars bargaining unit which were on strike or prevented from working.

Sir Michael said he doubted whether the Leyland truck and bus factories (where the 3.8 per cent offer has been accepted) could be isolated from the chaos that could ensue.

If union leaders intervened successfully to stop the strike he would feel able to recommend his board to go ahead with the recovery plan and the heavy investment necessary to complete the job begun by the Metro and Acclaim.

BL sources close to the chairman said last night: "I don't think the Government's intervention could not be confined to one part of the business without affecting the whole. I think we have to face the possibility that if the strike goes ahead on November 1 and has widespread support then that could well be the end of BL."

BL still has the option of a secret ballot of all its employees on the strike question.



"There is an alternative way," Mr Heath declares. Mrs Thatcher, Sir Geoffrey Howe and Mr Parkinson are unconvinced. Photograph by Peter Trievnor.

Impassioned plea by Heath gets short shrift from Tories

From Julian Haviland, Political Editor, Blackpool

An impassioned plea by the former Prime Minister, Mr Edward Heath, for a change of course by the Government was rejected uncompromisingly yesterday by Sir Geoffrey Howe, Chancellor of the Exchequer, who had the clear approval of the Conservative Party conference.

In a tense debate in Blackpool's crowded Winter Gardens, speaker after speaker urged the Government on and demanded that Mr Heath's plea for reflection as "the failed policies of yesterday's man".

But although he came in for some heckling and abuse from fiercely loyal party representatives, he was given a fair hearing in spite of the severity of his criticisms. Although they gave their voices to Mrs Margaret Thatcher, the Prime Minister, it was clear that many of them shared Mr Heath's anxiety when he told them that this was their party's most critical point for 60 or 70 years—more critical than Munich or Suez.

He started some by appearing to raise doubts about Mrs Thatcher's position as leader when he added also that things were "more critical than the leadership crisis of 1963-4".

As before, much of the argument about the Government's future went on outside the main conference hall. Sir Ian Gilmour, dismissed from the Cabinet last month, argued for a new package of cuts, including a 10 per cent reduction in public sector employment.

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Treasury wants cut in unemployment pay

By David Blake, Economics Editor

Heavy cuts in the real value of unemployment benefit and other short-term payouts are being demanded by the Treasury to reduce public spending.

The Treasury wants to increase short-term benefits by only 4 per cent in the coming year instead of the 11 per cent which would be needed to keep up with inflation. But technical problems and political opposition may force a compromise at a higher figure.

The Treasury's demands are being made in the current round of discussions aimed at producing new spending plans for 1982 onwards. An announcement by the Chancellor is expected by late November, along with a new forecast for the economy over the year ahead. The Cabinet is expected to discuss spending next week.

The call for reduction in benefit comes as part of a desperate search for £5,000m worth of cuts in public spending. The Treasury wants cuts on this scale to bring public spending back to levels it considers acceptable. This figure is significantly higher than earlier estimates of the cuts required, but Treasury ministers are determined to reach it.

The 4 per cent figure is argued to be in line with the pay increase which the Government intends to give its own workers. Supporters of the cut in value say it would be wrong to protect those out of work from inflation when those in employment are suffering a drop in living standards.

Even if the full Treasury proposals were implemented, the Government would face severe problems on spending next year. There is considerable pressure to up-date child benefit allowance in line with inflation this autumn.

Those who want to limit the benefits increase to 4 per cent also argue that income tax allowances did not go up at all in the last Budget. There is thus a growing risk that those receiving unemployment pay could find themselves receiving more than those working than if they had a job.

Last year the Government took powers to break the link between movement in prices and the amount it pays in short-term benefits. But under the present rules, the gap between the increase in benefits cannot be more than 5 per cent. It

would rise to 7 per cent if the hard-line position were adopted. The search for cuts has become particularly intense this year. Bids by spending departments are more than £5,000m above the £78,000m total in constant 1980 prices by which the Government at the time of the last Budget said it hoped to cut spending for 1982-83. Like tax, public spending is planned for fiscal years, April to April.

Of the £5,000m plus overshoot projected for next year, roughly half is thought to be spending departments "chancing their arm" with new schemes. Spending ministers in the summer resisted calls by the Chancellor for a new round of cuts, and their officials seem to have taken this as a signal that the tide was turning in favour of extra expenditure.

Much more worrying to Treasury is the remaining half of the overshoot which comes because existing programmes will cost more than has been allowed for them.

One problem which is unlikely to be resolved in time to hold down spending next year is local authority expenditure where some overruns are certain. There is also considerable anger in some spending departments that high pay settlements for the police and armed forces next year, in line with Conservative election pledges, are forcing cuts elsewhere. In the current year, the Government made special money available to finance these settlements, but the cost will have to come out of the general pool for spending from 1982 onwards.

Treasury ministers have stressed repeatedly that cuts in spending are the only way to make room for tax reductions, such as abolishing the employers' National Insurance surcharge and for reductions in interest rates.

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Big boots and flailing fists not the right approach to unions, Tebbit pledges

From Paul Routledge, Labour Editor, Blackpool

Moderate Tories were reassured yesterday by a promise from the new, supposedly hard-hitting Employment Secretary, Mr Norman Tebbit, that he would not go for the trade unionists' "big boots and flailing fists".

This remarks to a luncheon gathering of Conservative trade unionists were being cautiously interpreted as a sign that proposed legislation due in the Queen's Speech next month would be more limited in scope than some right-wing backbenchers in the party would wish.

Mr Tebbit, speaking informally to C.T.U. members as "a sound Conservative trade unionist" hinted strongly that the Government might eventually take powers to compel union leaders to listen more closely to the views of their members through the medium of the secret ballot.

He claimed that a former activist in the airline pilot's union, BALPA, he had more experience as a trade unionist than some of his Labour predecessors.

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Mubarak promises to continue all Sadat's policies

From Christopher Walker, Cairo, Oct 14

In a televised speech to the nation, Mr Hosni Mubarak, the new Egyptian President, today pledged that his Government will continue with all the policies of the late President Sadat, especially the peace treaty with Israel and the process of economic liberalization begun in 1974.

Addressing a heavily-guarded session of the People's Assembly, Mr Mubarak disclosed that he had received a pledge from the Israeli Government that the scheduled withdrawal from the final one third of occupied Sinai would go ahead, despite mounting opposition from Israeli right-wingers.

"I wish to tell you that we have received categorical commitments that the Israeli withdrawal will take place in its time without any hesitation in any way," he said. "And the 25 April (1982) will come with the Egyptian flag fluttering over Rafah, Sharm-el-Sheikh and almost every inch of the sacred Sinai."

Mr Mubarak was speaking after being confirmed as Egypt's new leader by a national referendum which gave him 98.46 per cent of the popular vote. The near-unanimous "yes" vote had been widely predicted and followed in the tradition of recent Egyptian elections.

Observers noted that the official figure of an 81 per cent turnout was slightly down on recent polls held by the late President.

Tomorrow morning, only nine days after Mr Sadat was murdered by Muslim extremists, the smooth transition of power is scheduled to be completed with the formal swearing-in of new ministers. Despite the internal unrest which has followed the assassination, Western diplomats have expressed satisfaction at the efficiency of the takeover.

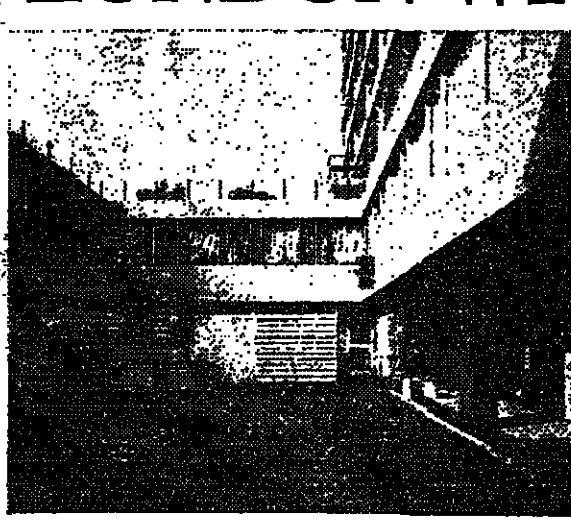
In his forceful, hour-long address, Mr Mubarak gave no hint of any foreign policy initiative to try to bring a quick end to Egypt's isolation in the Arab world. He pledged unequivocally that Egypt would follow every section of the

Camp David accords and the peace treaty with Israel in both letter and spirit.

"We are committed to all and every agreement that we signed, and all and every pledge that we have proclaimed," Mr Mubarak told the assembly. "And we ask others also to honour their commitments in an unconditional way."

On the negotiations on Palestinian autonomy due to resume later this month, Mr Mubarak made it clear there had been no change in the Egyptian stand, which remains firmly at odds with that of the Israeli Government. "Egypt will not hesitate in striving for Continued on page 9, col 3

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EXIT officials had suicide kit, jury told

By Frances Gibb

Two office staff members of EXIT, the voluntary euthanasia society, assisted or conspired to assist eight people to kill themselves with the aid of a "suicide kit" of drugs, alcohol and plastic bags, a jury at the Central Criminal Court were told yesterday.

Nicholas Reed, aged 33, general secretary of the society, spoke to the would-be suicides on the telephone and then put them in touch with Mark Lyons, aged 70, an office helper, who in six cases physically assisted the person to die "with tablets and so forth", it was alleged.

Mr Roy Amlot, for the prosecution, said that in two of the eight cases the potential suicides changed their minds but that in the other six cases Mr Lyons "did his level best to persuade the person to go through with it, and lost his temper and accused her of wasting his time when she remained adamant".

In another case Mr Lyons, who described himself variously as Dr Lyons (although he has no medical qualifications) and Victor, Arthur, Arthur Head, and Dr Arthur or Dr Arthur Head, went beyond his agreement with Mr Reed to assist a girl aged 19 to commit suicide and actually killed her, he said.

Mr Reed and Mr Lyons face a variety of charges under the Suicide Act, 1961, spanning a period between November, 1978, and February, 1980. Both deny all the charges.

Mr Lyons faces one charge of murder, three of aiding, abetting, counselling and procuring suicide and three, with Mr Reed, of conspiring to aid and abet suicide.

Mr Reed faces two charges of aiding and abetting, counselling and procuring suicide, and three charges of conspiring to aid and abet suicide.

Mr Amlot told the jury that Mr Lyons developed a technique for suicide and the police found what could only be described as, and what he admitted to be, a suicide kit in his room when he was arrested.

The police found a number of notebooks he had used between August, 1979, and May, 1980, and diaries containing his records of what he did each day.

He told the police they were for his eventual autobiography and that he set out almost every

move he made during the day and cover all but the first case.

Mr Amlot said the whole operation was always as secretive as possible, and the technique was sophisticated enough to dispel suspicions by the GP who certified death in two thirds of the cases.

He added: "Indeed, the whole exercise was so effective it was not until a researcher saw a television programme and became suspicious of Lyons in May that he was identified for the first time as the person who had assisted a suicide at a vital time, and the police were able to begin fruitful inquiries."

When they arrested him at his room in May last year they found a carrier bag with tablets, a bottle of brandy, plastic bags and an elastic band made up and ready, he said.

The trial concerned eight people who between late 1979 and early 1980 contemplated suicide for differing reasons.

"The condition of some of them was heart-rending in the extreme and one has nothing but the utmost sympathy for them, their families and their plights in life. Your sympathy for others may be not so great."

Each one, he said, made contact with EXIT, an organisation dedicated to persuading society and Parliament to change the law to allow euthanasia in certain circumstances.

It was alleged that the would-be suicides spoke to Mr Reed, who worked at Prince of Wales Terrace, Kensington, with a small staff. Mr Lyons would then telephone and arrange a visit to the suicide's home.

The first victim was a nurse who lived in Cheltenham with her husband. She died in November, 1978, after she had suffered from cancer for about six years, Mr Amlot said. She decided to end her life as the disease was getting worse.

Her husband came home at lunchtime to find Mr Lyons with her. He had a briefcase from which he produced a napkin and a handful of tablets. He insisted that no one else was to be involved in the suicide.

Mr Lyons was alone with the woman for 10 to 20 minutes and afterwards her husband gave him a lift to the station.

The husband went to work and when he returned at 4.30



Mark Lyons: Faces murder charge



Nicholas Reed: Charged under Suicide Act

his wife was awake. He talked to her, went out again, returned 45 minutes later and found her asleep. Shortly after that she was in a coma, and she died two days later.

The second case concerned a man in Hastings who could be described as a respiratory cripple. His wife got in touch with EXIT and he died the day after a visit by Mr Lyons.

The third case involved a woman aged 57 who lived alone in East Horsley, Surrey. Mr Amlot said she had talked of suicide and taken two drug overdoses. Her attempts were considered more as cries for help, and she had received psychiatric treatment.

A postman who did her shopping entered the house with a spare key when he received no answer and found her dead on the bed with her arms folded across her body under the bedclothes and with the radio on.

A doctor was called and he was not satisfied she had died naturally. Containers of various drugs were found, but not near the bed. A pathologist said the cause of death was an overdose of a barbiturate.

The only link, Mr Amlot said, between that case and Mr Lyons was that Mr Lyons had written in his notebook, where he described how he visited the woman on the day of her death, made a cup of tea, found her asleep, drank both cups himself and walked to the station. He says that he telephoned the next day and received no answer.

The fourth case involved a woman aged 55 who lived with her husband in Chelmsford. In that case, Mr Amlot said, it was alleged that Mr Lyons and Mr Reed conspired together to aid and abet the suicide.

The woman had had a road accident in 1957 and 10 years later had been crushed during a robbery and suffered injuries to her spine and osteoarthritis.

Mr Reed, it was said, had tried to persuade her to take part in a television programme on euthanasia, and she got the impression that he was trying to persuade her to commit suicide or put pressure on her to do so for the television programme.

Mr Amlot said that later the woman changed her mind about suicide. But Mr Lyons arrived and tried to persuade her to end her life.

He explained there were two ways: could give her tablets with a drink, and put a plastic bag over her head with an

elastic band around the neck, and that would take about a quarter of an hour; or he could put her in the bath, give her a few tablets and push her under the water, which would look like an accident.

When she refused, Mr Lyons became angry and abusive and rude and said that she was the only one to have disobeyed him. That night he telephoned her again and said that one day she would need his services.

The fifth case concerned a man aged 24, who, after leaving the Army, suffered from depression and drank heavily. He got in touch with EXIT and someone called who said they needed a guarantee of at least six hours without being disturbed and wanted £20 for travelling expenses. When the telephone rang again the young man had changed his mind.

In the sixth case, a woman who suffered from multiple sclerosis had tried to commit suicide on two occasions and had got in touch with EXIT. She received a call from a person called "Dr Arthur", who said he was interested in helping her. Her husband came home from work and found her dead in bed.

The doctor who arrived was not satisfied that her death was natural. A pathologist found there was enough of a barbiturate-based drug called rohypnol to cause her death.

In the seventh case a portrait painter, aged 61, contracted cancer. Mr Lyons called on him, introduced himself as Dr Lyons and, according to the man's wife, brought a large number of black and red pills. The wife said her husband took two tumblers of whisky at Mr Lyons's instigation, fell asleep and died.

The last case over which Mr Lyons is charged with murder and Mr Reed with conspiracy to aid and abet suicide, involves the death of a woman, aged 90, who suffered from thoracic spondylitis.

It was arranged that Mr Lyons would help the woman to commit suicide and then let her daughter know. Mr Amlot said that, according to the daughter, he said the mother had taken sleeping tablets, had refused to eat and was unconscious but still alive.

The hearing continues today.



Holm conversion

In Granada Television's dramatized reconstruction of the early days of the Solidarity movement in Poland, to be shown next spring, Ian Holm (right) plays Lech Walesa, the unemployed electrician who became famous across the world. Granada says it has been able to piece together for the first time an accurate account of how the strike at the Lenin shipyard, Gdansk, began.



Big rise in entry applications to Oxford

By Diana Geddes Education Correspondent

There has been a big increase in university applications for entry to Oxford next year. Those colleges that have introduced the so-called Hertford scheme of unconditional offers, or who have pursued a particularly vigorous recruiting policy in comprehensive schools, appear to have done particularly well.

At St Hugh's, a single-sex women's college, which has seen its number of applicants fall sharply in recent years as other colleges have gone conditional, applications have more than doubled from 143 last year to 295 this year.

At Oriel, the only remaining single-sex men's college, which has also recently suffered a big drop in applications, the number of candidates is up by half from 146 to 224.

Earlier this year St Hugh's and Oriel decided to follow Hertford's example and admit up to a third of their places to graduates on interview and the basic matriculation requirement of two grade Es at A level alone; no entrance examination is required.

The scheme, primarily designed to attract bright comprehensive pupils who are unable to get the special tuition needed for the Oxford entrance examination and who might be put off by the very high grades required under the conditional offer scheme run by other colleges, was introduced by Hertford in the mid-1960s and has proved a great success.

Having consistently been at the bottom of the Norrington league table of degree results, Hertford is now usually near the top and still has the highest application rate of any college, though this year applicants fell from 419 to 354.

At Balliol, a large mixed college which has introduced a variation on the Hertford scheme, admitting up to 20 per cent of its intake on the condition of stipulated grades, though those grades might be just two Es, applications have gone up by nearly two thirds from 270 to 442.

The pattern of applications at the three other single-sex colleges, all women's, is variable. At St Hilda's and Somerville the number of candidates is about the same as last year.

GP praises doctor in Down's baby murder trial

From Arthur Osman, Leicester

A midwife told Leicester Crown Court yesterday of the "agonies and distress" of Dr George Carman, QC, for Dr Arthur, asked him "Would you expect Dr Arthur, from your knowledge of him to be the kind of man to face up to the kind of challenge presented to him by the tragedy of the birth of a severely malformed child to a family?"

He replied: "Yes, it is a great responsibility for an individual, and Dr Arthur is more than able and willing to accept his responsibilities."

Dr Fryatt agreed that an agonizing problem arose for the paediatrician when there was parental rejection of a severely malformed child. He agreed with counsel's suggestion that the paediatrician was in the front line of the problem. The good paediatrician was one who involved the family fully.

If he refused to involve himself on the question of guidance and information he was abdicating his professional responsibility. It was a task, counsel said, which required immense personal courage and imposed immense personal strain on the paediatrician.

Mr Carman said the whole medical management of severely

malformed children when there was parental rejection raised the question of treatment or non-treatment. At the extreme end one could get a "hideously malformed baby, mentally and bodily crippled in a vicious way and irreparably damaged".

The agonizing question was then whether they should be artificially kept alive or allowed to die.

Then there were cases such as the one involving John Pearson, of parental rejection in which a responsible paediatrician had to make agonizing decisions in accordance with his calling.

Earlier Dr Fryatt had agreed with Mr Carman that normally a baby lost a small amount of weight in the first three days. This baby had lost no weight and the post-mortem examination report said it was reasonably well nourished.

Counsel suggested that with the weight being the same at death as at birth, the question of food played no material part in the death of the child. Dr Fryatt said: "It is an obvious assumption."

Counsel said that provided a baby had a good weight—John

weighed 7lb—it would do no harm to go without milk for three days. Dr Fryatt agreed.

Counsel said that The Sun newspaper had suggested on its front page that the baby was "starved" to death. This was totally ill founded. The prosecution had not put it that way and he said he was anxious that pregnant women should not be misled and put in fear by inaccurate reports of that kind.

In his evidence-in-chief, Dr Fryatt said that Mrs Pearson had become more and more distressed. She realized something was wrong and kept asking nursing staff what was wrong. He eventually explained his findings to her.

He continued: "I had the privilege of serving under Dr Arthur. He is a man of great and high moral integrity and he strives to live by his ideals."

Re-examined by Mr Dreyer, Dr Fryatt agreed that there was nothing in the case notes of the baby to indicate it needed a drug. He said he had never been in a situation where he had had to rely on drugs of this nature."

The trial continues today.

Curfew idea for young is studied

By Marcel Berlins Legal Correspondent

The possibility of introducing a curfew to deal with young offenders is to be considered by Lord Hailsham of St Marylebone, the Lord Chancellor, after a resolution passed by the Magistrates' Association last week.

The magistrates are hoping that their courts will be given the power to impose an evening curfew on troublesome youths.

The curfew order is seen as an important new option in the magistrates' sentencing armoury, with the particular advantage that it would involve the offender's family and would not result in his having to give up his job or be removed from his community.

Several magistrates at last week's meeting, however, were worried at the role the police would play. Some feared that it would involve policemen calling at the youth's home to make sure that he was there.

Although the Magistrates' Association has not yet fully thought out the ramifications of the proposed new order, it is unlikely that the police would act in that way. It is envisaged that they would use their power to check on youngsters under curfew only when there had been a disturbance, outside a discotheque, for instance.

RURAL BUSES IN DANGER

While inter-city coaches thrive, rural buses could suffer a damaging decline as a result of government policy, Lord Shepherd, chairman of the state-owned National Bus Company, said last night (Transport Correspondent writes).

Loss-making routes had often been supported more by inter-city cross-subsidies from profitable routes than by public authorities, Lord Shepherd said. Under the new policy that support would dwindle.

Move to license sex shops is attacked

From yesterday's later editions

The move by the Greater London Council to promote a Bill in Parliament requiring the licensing of sex shops was attacked at a meeting of the council as "an attempt to ban pornography by the back door".

Mr Andrew McIntosh, former leader of the Labour group, said that the proposed measure was "an attempt to intervene in people's lives when they are not causing any trouble to people outside". Another Labour member, Mr Kenneth Little, said that the council was embarking on a very dangerous course.

The council agreed by 70 votes to none to go ahead with the proposed legislation. Several Labour members abstained.

Benefit case review

The case of the Indian widow denied supplementary benefit because she could not speak English is being reviewed by the Department of Health and Social Security to establish whether there are any policy implications.

The woman, who lives in Gloucester, is expected to appeal to the Social Security Commissioner.

Restoration contest

The restoration and conversion of old buildings for commercial or industrial use is the theme of the 1982 conservation awards competition sponsored by The Times and the Royal Institution of Chartered Surveyors.

The closing date for entries is February 28, 1982. Details and entry forms are obtainable from Miss Frances Armitage, Royal Institution of Chartered Surveyors, 12 Great George Street, Parliament Square, London, SW1P 3AD.

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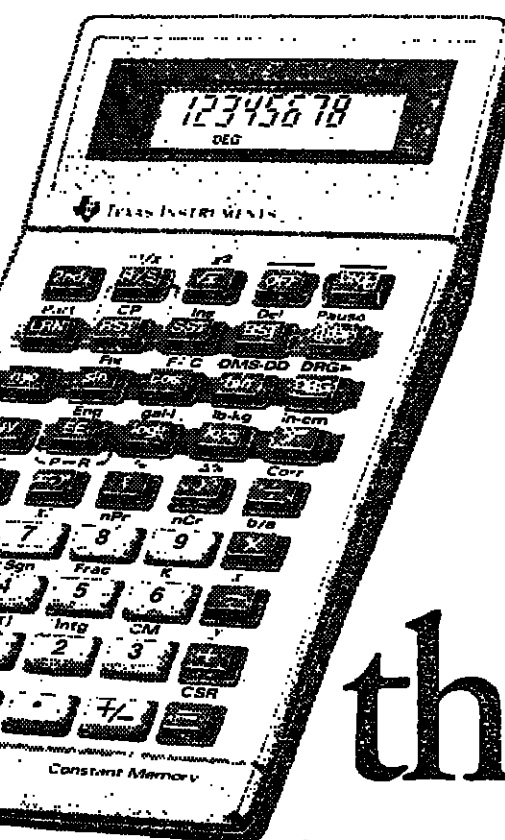
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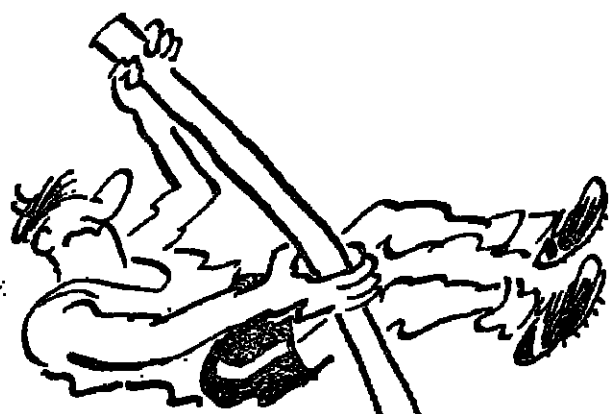
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General cleared of wine charge ordered to resign

By Richard Ford

The major-general who was accused of trying to smuggle £2,500 of port and wine into Britain has resigned from the Army after a call from the Army Board for him to quit because of misconduct.

The resignation of Major-General Henry Salisbury, 57, a former General Officer Commanding the Third Armoured Division in West Germany, was demanded by the board and takes effect on November 7. He was due to become Vice-Chief of the General Staff last autumn.

Earlier this month Staff Sergeant Brian Proctor, aged 45, was found not guilty at Maidstone Crown Court of smuggling 35 cases of the general's vintage port and wine through the customs at Dover, Kent, in a horse box.

An Army Board spokesman said that while accepting that the general had not acted dishonestly, the board concluded that "the general's overall conduct...has demonstrated irresponsibility and disregard for the Service requirements and unacceptable in an officer of his rank".

The spokesman added that the board's decision had no connection with the court case. A detailed military inquiry had found that the general, educated at Cheltenham and Sandhurst and commissioned into the 7th Hussars in 1949, had "failed to keep proper accounts of divisional non-public funds for which he was responsible" and had displayed "gross lack of judgment".

The spokesman said that although Major-General Salisbury may have had the interests of the division at heart, the Army Board had concluded that he had shown gross lack of judgment.

The general, who is living in married quarters in Putney, south-west London, was suspended on full pay in June last year. Last June the Army confirmed that he was being investigated by the Royal Military Police special investigation branch. He was subsequently charged under Section 69 of the Army Act, 1955.

The section covers "conduct to the prejudice of military discipline". But it is understood that the charge will not be proceeded with. The charge, according to an Army spokesman, was referred to a court-martial to allow full investigations to be carried out in Germany. Court orders were needed to investigate the general's personal bank account in Germany, an Army spokesman said.

Earlier this year the general appealed against the order first in the German provincial court and then in an higher court and finally in the German Federal constitutional court. All the appeals were summarily dismissed.

Four summonses accusing the general of dealing in port on which duty had not been paid were dropped last November by the Commissioners of Customs and Excise. Charges against him and two other officers of fraudulently attempting to evade customs duty on 35 cases of port, burgundy, claret and German wine, worth £2,500 were dismissed by Dover magistrates last year.

In 1978 he was promoted to the rank of major-general and became GOC 3rd Armoured Division, controlling 8,500 men and 148 Chieftain tanks. He was made OBE in 1970 and CBE three years later.

He married the daughter of a colonel in 1963 and has two daughters. The marriage was dissolved last year.

'Anarchy' in London car parking

By Peter Waymark

Motorist Correspondent
Parking in central London has reached a state of near anarchy, according to a survey published today by Transport and Environment Studies, an independent research consultancy.

To alleviate the situation, the report proposes that the capital should be cordoned off during peak periods and only essential traffic allowed through.

In a random sample of streets in three areas of London, the survey found that 61 per cent of vehicles were parked illegally and it estimates that only 5 per cent of offenders are likely to pay a penalty.

This state of affairs has arisen, the survey says, because the supply of parking spaces falls well short of the demand and because enforcement levels are low, with the traffic wardens forced at least half under strength.

Since wardens were so poorly paid, and central government strictures on public expenditure so inflexible, the number of wardens was unlikely to increase significantly.

The survey says parking meters are manipulated, yellow line restrictions ignored, footways parked on, corners dangerously parked across and streets blocked to buses.

Simon Dee in court row

Simon Dee, the former disc jockey, who appeared before Worthing magistrates yesterday on a charge of criminally damaging the door and lock on the premises of a local firm of solicitors, was ordered to leave the court after an altercation with Mr Clifford Chatterton, the justices' clerk.

Mr Dee, who gave his name as Cyril Nicholas Henry Dodd, of Victoria Road, Worthing, London, objected to the way he had been summoned.

Asked if he was pleading guilty to the charge, Mr Dee replied: "I am pleading guilty only to loving my father." The hearing was adjourned until November 11.

Boxer 'died on police van floor'

By Lucy Hodges

The social worker who was accompanying Mr Winston Rose, the black, mentally disturbed man, to a mental hospital last July said yesterday's court she saw Mr Rose unmoving, face down on the floor of the van surrounded by four policemen.

Mrs Carla Acket, a qualified social worker with Waltham Forest Council, told a coroner's court she saw Mr Rose unmoving, face down on the floor of the van surrounded by four policemen.

After about five minutes she heard an officer ask: "Is his pulse all right?" Another said it was "One of the officers had his hand on Mr Rose's neck, presumably to take his pulse. Soon after that an officer at the back said he was dead."

A passing ambulance was hailed and the attendants tried to resuscitate him, Mrs Acket said on the third day of the inquest at Walthamstow, London, into the death of Mr Rose, a West Indian amateur boxer, on July 13.

She said she heard one of the officers asking for keys to handcuffs but she did not see any handcuffs.

Mrs Acket said she had been qualified for two years but had never been called to deal with a mentally ill man.

She said that she asked the police what had happened before Mr Rose was put in the van. "The police said there had been a struggle, that Mr Rose had gone berserk and was found eventually in a shed in the garden of his house."

Questioned by Mr Michael Mansfield, counsel for the Rose family, she agreed that she was shocked to see Mr Rose, who was physically healthy, lying on the floor of the van. "You expected to see him sitting there, didn't you?" Mr Mansfield said.

"Yes," she replied. She agreed that she felt things had gone too fast when she saw so many police officers around Mr Rose's house in Elm Road, Leytonstone, East London.

The inquest continues today.

Judge attacks Whitelaw

By Peter Evans Home Affairs Correspondent

Mr William Whitelaw, the Home Secretary, was rebuked yesterday by Judge Pickles, a circuit judge since 1976, for threatening the courts with a "big stick".

Accusing Mr Whitelaw of acting unconstitutionally, Judge Pickles said it was wrong of him to threaten courts with legislation if they went on imprisoning non-violent offenders at present levels.

"The judiciary is not a minor branch of the executive but an independent arm of government," Judge Pickles told the Inner Manchester branch of the Magistrates' Association.

Mr Whitelaw was a kind, well-meaning and busy man, he said. But "it is for us to decide who goes inside and for him to make room". He advised the magistrates: "We must obey statutes and superior courts; but we do not have to obey ministers as such."

Some crime lay at the door of the Home Office. It put across the Bail Act in such a way that many magistrates gave defendants bail repeatedly, despite repeated crimes.

Asked if he was pleading guilty to the charge, Mr Dee replied: "I am pleading guilty only to loving my father." The hearing was adjourned until November 11.

There should be hard, productive work for all who were fit and intensive training for all who might be reformed.

Judge Pickles: "Some courts have gone soft."

"Wide bail and parole and shorter sentences mean free-



Training for a career in gold

Mr Ted Lawrey aged 59, an engine driver, who has decided to retire early to prospect for gold in the streams on Bodmin Moor. In the last five years he has made regular trips to the moor from his home in St Blazey, near St Austell, Cornwall, and has found about £320 of gold.

"The first time I found gold I was knee deep in a freezing stream when suddenly there were some tiny specks

glinting at me on my shovel," he said. "Right then I knew how those old-time prospectors felt. I have the fever now and will never lose it. I am certain I can make a living if I go after the gold full time."

"Gold prospecting is thrilling and compulsive. I even took a trip to Canada to buy a proper gold pan and met an old prospector, who took me on a 10-day gold hunt."

Childhood leukaemia deaths fall

By Our Health Services Correspondent

Childhood deaths from leukaemia have dropped dramatically over the past 10 years because of advances in drug treatment, according to the Imperial Cancer Research Fund.

Only about 10 per cent of children with leukaemia used to survive a decade ago, but now the survival rate is as high as 75 per cent for some common forms of the disease.

Professor James Malpas, director of the fund's medical oncology unit at St Bartholomew's Hospital, London, said that it had been a "wonderful decade" in which to work on childhood leukaemia because of the remarkable advances that had been made.

When he first went into medicine the survival rate was measured in weeks, the average being about 12 weeks. "Now we expect to see about half of these children alive and well at five to seven years, and when they get to that stage we do not expect to see a relapse," he said.

Professor Malpas was talking at the launching of a film made by the fund, called *Fighting Cancer*, which is being distributed among schools, fund-raising groups and other interested organisations.

The reason for the fall in childhood deaths was a better understanding of the drugs that could be used to treat cancer.

YOUTH FOR TRIAL

Accused of possessing an airgun outside Buckingham Palace, Keith Wapshot, aged 15, of Singapore Drive, Gillingham, Kent, was sent for trial by Bow Street magistrates yesterday. He will stay in custody until the hearing at Knightsbridge Crown Court.

100m hear threatened broadcasts, BBC says

By Kenneth Gostling

BBC overseas broadcasts now reach a worldwide total of 100 million listeners. That is 35 per cent higher than any previous known audience level, and the highest ever recorded in the 50-year history of BBC External Services.

Mr Douglas Muggridge, managing director of external broadcasting, said yesterday that the figure related to adults who tuned in once a week or more to the BBC abroad, and confirmed the BBC, with its 700 hours of programmes a week, as holder of the largest global audience. The estimate was under-estimated because China was excluded for lack of available data on which to base even a guess.

Mr Muggridge said it would be a tragic irony if next year the BBC had to celebrate the fiftieth anniversary by making the biggest reduction of services in its history.

The Government has proposed stopping seven language services and dropping the subsidy to the transcription services. A statement is expected next week after next.

Until now the BBC has reckoned its regular worldwide audience in English and other languages at about 75 million. One reason for the latest upsurge is the steady increase in radio set ownership; there are now more than 1,300 million radios throughout the world.

Mr Muggridge told the Institute of Electrical Engineers: "If we can justify this success on this level, it seems reasonable to ask why any government should wish to damage such an institution for the sake of £3 million a year."

Russia, he said, had increased its overseas broadcasts by more than 100 hours in the past six years; Voice of America was considering further expansion and Japan planned to double the last figures in which it broadcasts. There had never been a time when governments across the world had been devoting more resources to their international broadcasting effort.

Computer revolution for family doctors by 1990

By Annabel Ferriman, Health Services Correspondent

A boom in the use of computers among family doctors was predicted yesterday by the joint computer policy group of the British Medical Association and the Royal College of General Practitioners.

Microcomputers could revolutionize the practice of medicine by enabling doctors to draw up registers of their patients by age and sex so that certain groups could be easily identified for preventive medicine purposes.

A permanent centre to advise doctors about available microcomputers was launched yesterday at the National Computer Centre in Fetter Lane, central London. Experts will demonstrate programmes designed for family doctors.

Doctors will be able to make their computers print lists of patients who, by reason of age or sex, should be vaccinated, screened for cancer of the cervix, or tested for high blood pressure or other symptoms.

By 1990 such microcomputers, which cost between £3,000 and £11,000, could be in 80 per cent of doctors' surgeries and could save doctors hundreds of hours of work a month, the group said.

One task that the 200 doctors now owning them use them for is printing out repeat prescriptions.

When a patient comes to collect one the doctor will be able to key in the patient's number, find out what drug he is taking and print out a prescription for it. In a practice of three doctors, about 60 repeat prescriptions are issued a day.

The computer programmes will contain a built-in mechanism to remind the doctor to see the patient after a certain number of repeat prescriptions have been issued.

Dr Robert Jones, chairman of the joint computer policy group, said: "More doctors are beginning to realize the revolution that could occur because of the use of computers in general practice, but they are faced with a vast array of machines and different software."

"The greatest advantage will accrue if compatibility is established," he said. If general practitioners used the same software it would make the transfer of information about patients from doctor to doctor or from family doctor to hospital much easier.



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Conservative Party Conference 1/Sir Geoffrey sees unemployment as the biggest social evil facing Britain

Chancellor launches onslaught on 'union irresponsibility'

Reports: Alan Wood, Bernard Withers, Geoffrey Browning, Sara Bonner and Tony Hodges

The Government had to hammer home the need for common sense about pay, Sir Geoffrey Howe, Chancellor of the Exchequer, told the Conservative Party Conference in Blackpool yesterday.

All the jobs saved by a courageous management could be destroyed by irresponsible union action, he said. There could not be a choice between measures to combat inflation and measures to combat unemployment. Measures to combat inflation were measures to combat unemployment.

Sir Geoffrey, winding up the debate on economic policy and taxation, quoted the Conservative manifesto of 1970 under which the party had won the last election. In implementing election with Mr Edward Heath as its leader, the manifesto all our policies, the need to curb inflation will come first, for only then can our broader strategy succeed. "If it was true then, as it was, when inflation was half as high, it was twice as true today, he said.

Conditions in the world were far more hostile today than they were 10 years ago. "If it was true then, as it was, when inflation was half as high, it was twice as true today, he said. "The idea that we can bring unemployment down by putting borrowing up is rather like the panda's approach to pregnancy: The expectations are not matched by the performance."

Some people said that the Government should try selective spending more on the right things by spending less on the wrong ones, less current spending and more on capital, then he was all for that. "The policy of selective spending was stripped away, then all too often that was not what people wanted. They turned out just to want more spending."

Another suggestion was for a little concerted deflation. It was said that it would be all right if the rest of the world was persuaded to join this country. The rest of the world would not want to join. "There is a concert in which we should be performing alone, a conductor without an orchestra."

Chancellor Schmidt had cut his budget deficit by 40 per cent. President Reagan was trying to reduce his. So, too, starting last week, was even socialist President Mitterrand. They could not find ways to borrow money, they could not find ways to reduce his. So, too, starting last week, was even socialist President Mitterrand. They could not find ways to borrow money, they could not find ways to reduce his.

"I was interested to hear Ted Heath complaining in the course of the debate about the level of interest rates likely to arise from American policies. It is worth asking ourselves just what are the American policies that are pushing interest rates up. It is because they are trying to borrow too much. "I find rather curious what Ted Heath is not alone in complaining about that, complaining about their interest rates are too high because they are borrowing too much, and then saying that we must get our interest rates down by borrowing more."

In their campaign for more jobs, the main battle must be against inflation. Those people who said they had to use every sensible way of encouraging the creation of new jobs were absolutely right: increasing capital investment was one of the most important ways of doing that, so he fully accepted and supported the motion. They had already acted upon it. They were hopeful of finding ways to get more private capital into the public sector.

If their critics were to be believed, people would imagine that the Government had imposed severe cuts in investment in the nationalized industries. In fact, the opposite was true. But investment by itself was not enough unless properly used. They could not afford to invest as much as they would like in modern coal fields as long as they produced coal that was too expensive to sell. They could not afford to spend as much on railway electrification while the average British Rail driver spent less than half his working time actually driving a train.

The Government had been pressing ahead with a whole range of practical measures to promote opportunities for businessmen and above all small businesses to create more jobs. They had removed controls on pay, dividends, foreign exchange, and prices. They had made a fair start on cutting the burden of capital taxes.

Pay settlements had been halved, strikes were fewer than 40 years ago. Productivity was up by almost 6 per cent. Despite the problems, the clear signs of progress were beginning to come through. In today's world with every nation fighting for markets the only way to be bound to be rough, but Britain was moving up. Manufacturing output had begun to rise. The one thing that could set them back would be to lose their nerve (cheers).

Mr Heath said in his introduction to the party manifesto in 1970: "The easy answer may pay immediate dividends in terms of publicity, but in the end it is the rational interest which suffers. Nothing has done Britain more harm in the world than the endless backing and filling which we have seen in recent years. One policy is established, the Prime Minister and his colleagues should have the courage to stick with it." "I agree with every single word of that and I invite this conference to do the same." He received a standing ovation. The motion was carried overwhelmingly.

Earlier, moving the motion, which urged the Government to develop a system of financing that would reduce the vulnerability of worthwhile capital projects to the needs of short-term economic survival, Mr Pat Johnston, Sutton Coldfield, said that there had been many years of unwillingness to change. They had resulted in low productivity, wildcat strikes, and governments that ran away from problems.

He welcomed the Government's determination to stick to present policies, but why was it that just when it seemed that the recession was ending, recovery had been knocked on the head by an artificial rise in interest rates?



Mr Heath — conducting his own symphony

Rating review

Minister pledges long term reform; referendums stay

The government will shortly be publishing its review of the ways in which the rating system could be reformed, Mr Tom King, Minister for Local Government and Environmental Services, announced when replying to a debate in which there were strong pleas for swift action on reform.

Mr King explained that after publication of the review, the government would then consult fully and he emphasized that that must not be an excuse for inaction. He acknowledged that there would be difficulties in reforming the rates.

The conference backed the government's plans for local referendums when councils seek to raise higher rates. Mr King said mandatory referendums were an interim measure as a step towards long-term reform of the system.

"The threat to local government independence," he said in response to fears about erosion of the rights of local councils, "comes not from us but from those determined to use local government as a weapon to destroy the fabric of our society. That is alien to the tradition of local government. Referendums would enable local people to take the final decisions."

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deplored the present exorbitant increase in rates and urged the Government to give prompt attention to review, without delay, the present unfair and antiquated system and to ensure that the burden of rates embraced all wage earners, thus spreading it evenly among those who shared and enjoyed local amenities.

"Labour's extravagance and incompetence at local level have imposed a crippling burden on ratepayers," she said. "It would be an indictment of our Government if we allowed this to continue without fundamental reform. The present system is punitive and unfair. Reappraisal is long overdue."

All full-time wage earners should be made responsible citizens and allowed the privilege of paying for the amenities they enjoyed. Justice would be done when a person living alone no longer paid as much as a family next door in an identical house with three, four, or even five full-time wage earners.

Mr Cyril Taylor, Rushish, North, moved an amendment urging the government to set an interim period to pass immediate legislation requiring local authorities to seek the approval of the electorate through a referendum, should they wish to increase their rates above that required for inflation or changes in grant. "Margaret Thatcher made a pledge in 1974 that in the lifetime of the next Conservative government we would have rates done away with," he said. "It is time that pledge was honoured." (cheers)

Mr Peter Hutchinson, chairman of the northern area, said a referendum was not the right answer. "It is vital that local government expenditure be controlled, but this can best and most effectively be done by reform of rating system to make individual councils much more accountable to the wishes of local ratepayers than they are now," he said.

Mr Jim Cooper, national vice-chairman of the Young Conservatives, said the resolution failed to go to the heart of the problem. The whole of local government financing was in a state of confusion and the mix of rates and grants gave the worst of both worlds.

Mr Anthony Durant, MP for Reading, north, and chairman of the National Advisory Committee on Local Government, said that local government had generally speaking kept control within its targets, unlike central government.

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Unilateralism the enemy of disarmament

Unilateralism was the enemy of disarmament, said his friend, Mr John Nott, Secretary of State for Defence declared in the defence debate. Peace required will, it demanded vigilance and it did not come cheaply. "Peace is expensive but it is nowhere nearly as expensive as war," he said. He was not in the business of preventing nuclear war but all war.

Mr Nott who received a standing ovation said that while the time was short, millions of voters of every political persuasion would repudiate the lunatic demand that Britain should abandon its allies, shut itself out of Europe, emasculate its defences and adopt a policy of graven appeasement to the Soviet Union. Britain would negotiate arms reductions from a position of strength not weakness because that was the only way of bringing it about. The government rejected the wishful thinking of the unilateralist disarmers.

Mr Nott defended his defence review stating that any charge of cutting defences was ludicrous. Britain was spending more on the common defence of freedom than any other NATO ally with the exception of the United States. He said that for too long they had neglected the direct defences of Great Britain and the government planned to expand the territorial army by an extra 16,000 men.

Mr G. Gellop, Bristol North-west, moving the motion that the Government must be prepared to carry out the country's NATO commitments in full and asking the conference to support the Trident programme and continued expenditure on nuclear weapons until the Soviet Union accepted unilateral disarmament, said that the country in the last war and it must never do so again.

The conventional NATO commitment was essential but not enough in the light of the continued build-up of the Warsaw Pact armory which had included 3,000 tanks added in the past year alone.

In the last war, poison gas had not been used. Why was that? he asked. The answer he gave was a fear of retaliation. For 35 years there had been peace in Europe. Why? Because of the nuclear deterrent. That deterrent must now be updated, the price of peace could not be paid with yesterday's weapons.

Trident was the new generation weapon and would bring peace for the coming generation. While the Conservatives wanted a reduction in arms levels, the Liberals and Labour Party and the Russians wanted us to do so alone.

Mr Peter Hutchinson, chairman of the northern area, said a referendum was not the right answer. "It is vital that local government expenditure be controlled, but this can best and most effectively be done by reform of rating system to make individual councils much more accountable to the wishes of local ratepayers than they are now," he said.

Mr Jim Cooper, national vice-chairman of the Young Conservatives, said the resolution failed to go to the heart of the problem. The whole of local government financing was in a state of confusion and the mix of rates and grants gave the worst of both worlds.

Mr Anthony Durant, MP for Reading, north, and chairman of the National Advisory Committee on Local Government, said that local government had generally speaking kept control within its targets, unlike central government.

Mr Cyril Taylor, Rushish, North, moved an amendment urging the government to set an interim period to pass immediate legislation requiring local authorities to seek the approval of the electorate through a referendum, should they wish to increase their rates above that required for inflation or changes in grant. "Margaret Thatcher made a pledge in 1974 that in the lifetime of the next Conservative government we would have rates done away with," he said. "It is time that pledge was honoured." (cheers)

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All full-time wage earners should be made responsible citizens and allowed the privilege of paying for the amenities they enjoyed. Justice would be done when a person living alone no longer paid as much as a family next door in an identical house with three, four, or even five full-time wage earners.

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The bonds will be related to performance. He said there was no reason why they could not have competing systems in the new technologies offering competing services to customers.

Having set out the various denationalization measures taken by the Government, Mr Jenkin said that when British Aerospace was denationalized special arrangements were made for staff to subscribe for shares. In the teeth of union opposition, 90 per cent of the staff took up free shares and 27,000 employees, 40 per cent of the workforce, bought extra shares under the scheme.

Mr John Stevens, Birmingham, Stachford, successfully moved that the conference, while welcoming the progress made in dealing with inflation, was concerned at the high level of unemployment. It called upon the Government to revitalize industry in the regions, encouraging investment and enabling more new businesses to be created.

"For industry in the regions, for small businesses and new enterprises, the prospects until recently were beginning to look encouraging," he said. "But the recent sharp rise in interest rates has pushed that recovery yet further away. This time the damage could be greater. High interest rates could result in a permanent loss of key manufacturing capacity."

The Government must create an environment to encourage stability and help companies to deal with higher costs. Industrialists wanted to be able to buy their own shares at prices similar to those at which their overseas competitors could buy it. There must also be tighter controls over nationalized industry price increases.

Mr M. C. Carr, treasurer, western area, opposing the motion, said employers did not want regional aid or government encouragement to invest or create new businesses.

Industry

Telecom investment

A government announcement is expected soon about the raising of new capital for investment in British Telecom by the issue of a new type of bond available to the public and to workers in the industry.

Mr Patrick Jenkin, Secretary of State for Industry, gave a preliminary indication of the proposal during the debate on free enterprise and industry and explained later that the Government was aiming at a vestment of about £150m in new developments and systems in British Telecom. The City had for years been complaining about the telephone network and Telecom was developing new systems.

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They would only get a multi-racial society when employment opportunities were diffused equally throughout the country. The government must encourage proposals for community policing.

Food and farming

Survival, and success too

During two years of recession, British agriculture had not only survived, but succeeded, Mr Peter Walker, Minister of Agriculture, Fisheries and Food, said when he replied to a debate on food and farming. He said that production was substantially up, productivity had improved and exports had reached record heights.

Farm prices had moved only one-third of prices in general, and food prices had increased by about half of the price increases in the non-food sector, most expenditure was proved to be wrong.

If they broke out of this vicious spiral saving the government money on interest and unemployment then its options could open. It could do this by going into the European monetary system, returning to exchange rates and a firm European policy. This was not a quiet alternative, it would be difficult to bring about but the attempt must be made.

If no attempt was made, he considered that a large number of people were going to say there has got to be an alternative to the CAP. They were entitled to consider that because if they were not in power they could not achieve what they wanted. It was damaging to the nation.

There was danger too that more people would leave the Conservatives for the SDP and then there might be a Labour Government in power. This was not what the party wanted. No country could get out of the situation on its own, it could only be done by international action.

"What grieves me more than anything," he said, "is that after all the work which followed the Atlantic Charter and the formation of the EEC, international co-operation has been thrown away."

But that would be true of any policy. It had taken the British time to learn how to use it to British advantage. Europe was full of proud, robust nations and it was all the better for it: we had to learn to be proud and robust.

Mr G. H. Hill, West Devon, a farmer, said it was a disgrace that vital foods, such as grain, could be exported from this country. One of the main reasons for this was that the French had a big say in policy.

Mr Charles Wallby, Grantham, said that high prices in the shops should not be confused with high prices paid to farmers. Chips from the fish and chip shop cost the consumer 2700 a tonne, while the farmer was lucky to get £70 a tonne. If only the rest of industry in Britain could be as efficient as farming, then they would be exporting television sets to Japan.

Mrs Carol Gardiner, Kingston upon Thames, said the aims of the CAP seemed to be



Heads together—Peter Walker, Minister of Agriculture, left, and the Chancellor, Sir Geoffrey Howe.

to drive prices up to ensure adequate rewards for farmers. While she was not against their being rewarded, if they were efficient, the CAP seemed an expensive way of meeting that objective.

Mr Walker spoke of the importance of trying to achieve this autumn a sensible fishing policy for Europe which benefited the British fishing industry. It was not a major industry contributing a vast amount to the gross National product, nor was it vast in terms of employment. However, in terms of that important ingredient, the British way of life, it was of immense importance.

British agriculture had experienced a difficult two years with incomes declining in real terms, and bank borrowings going up, but it had succeeded. Farmers had reaped the rewards of earlier investment and it was difficult to find any section of industry more open to innovation.

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'We both want a united party'

Reiterating his call for "one nation" Mr Edward Heath, the former prime minister, declared that people wanted to know if the Government was prepared to consider alternative policies and whether if there was need for change if it would bring it about. Mr Heath, speaking in the debate on the economy, wanted Britain to join the European monetary system as a means of countering high interest rates in the United States. The vicious spiral of interest rates must be broken, he declared.

At one stage when he was interrupted—even a few boos were discernible—Mr Heath commented amid applause "we seem to have some of Mr Ben's supporters present."

Mr Heath thought the Conservative Party had reached the most critical point in its past 60 or 70 years. In this situation, he believed Mrs Thatcher and himself wanted to have party unity. That was why he had accepted an invitation to take part in the Croydon by-election. But this was a party which could not be imposed by a single doctrine, which must accommodate all the various views in the party, which had been its tradition.

The situation was critical with massive unemployment, high interest rates likely to rise as a resuscitation policy, bankruptcies and liquidations were at an appalling level undermining the industrial base, and family businesses were being destroyed. This situation must be recognized and they should make a fresh assessment.

"We cannot have unity in this party when the work of all previous governments is to be decided, including the work of the Government of which the present Prime Minister was a prominent member and for which I am sure she accepts full responsibility."

A consequence of the situation was that young people would move further and further into revolt. But they should not forget that for those in their early fifties made redundant, they could see that never again would they have the opportunity of a job, the situation was even more appalling than the frustrations of the young who found themselves on the streets.

Let us have public discussion, he went on. "I am glad there is a great deal of public discussion about these matters because there is an alternative; there are a number of alternatives."

"Let me say to the Chancellor that businessmen, not going to be satisfied with just a statement that there is no other alternative. Now they are asking desperately for an explanation of how present policies can lead to an improvement."

Asking why the government had to be reluctant to change individuals, firms, organizations had to do it. Why should there be this extreme hoodoo on governments which acted against them reassessing and saying that the time had come when they had to make change?

They must try to find a situation in which they were

Conservative Party Conference 2/Fringe meetings include a warning on recriminations and the 'spooky', if temporary, return of Enoch Powell

Heath attacks Joseph over school vouchers

From George Clark and Hugh Noyes, Blackpool

Any attempt by Sir Keith Joseph, Secretary of State for Education, to introduce a "voucher system" for education would split the Conservative Party from top to bottom and would alienate the whole of the teaching profession, Mr Edward Heath, the former Prime Minister, told a meeting organized by the Association of Conservative Graduates.

He was commenting on the statement by Sir Keith to the party conference on Tuesday that he had been attracted to the idea of seeing whether eventually vouchers might be a way of increasing parental choice. Sir Keith said he was aware that there were great difficulties in making a voucher system work but he thought it was necessary to study the difficulties and see whether proposals could be developed to cope with them.

Mr Heath was in a much more aggressive mood than he was at Manchester University a week ago. He had a "full house" at the Theatre 100 yards away from the main conference hall.

There was some amusement at the start when the microphone would not work and a pause in the audience shouted "It's the dirty tricks department again." Most of the audience seemed to approve the arguments which he advanced for a change of direction in the government's economic policy.

Arguments later repeated at the full conference down the road. But there were a number of interruptions and shouts of "rubbish" when he was referring to his plan for controlling interest rates and the exchange rates.

His criticisms of Sir Keith Joseph and his condemnation of cuts in the government's support for the arts brought the loudest protests. But Mr Heath was not deterred—he suggested the delight of his supporters that the meeting showed signs of being infiltrated by "Bennites".

Taking as his text Disraeli's statement that the future of a nation depended on the quality of its education, Mr. Heath angrily attacked the cuts which the university grants committee were making, particularly as they affected technological universities like Aston and Salford.

Turning to education generally, Mr Heath said: "If Sir Keith Joseph decides to put education on a market economy by means of vouchers, with all the bureaucracy which is required, and as an indirect attempt to use large amounts of

public money to pay for private education, he will completely split the Conservative Party from top to bottom."

Powell says it again: 'Leave EEC'

Mr Enoch Powell returned to the Conservative Conference yesterday still campaigning on the issue which provoked his resignation from the party in 1974, and admitted that it was a spooky experience. Appearing at a fringe meeting in Blackpool organised by the Conservative European Reform Group, Mr Powell urged the party to fulfil the manifest wish of the British people to leave the European Community.

Mr Powell, Official Unionist MP for Lewn South, was given a generally warm reception by an audience of about 400, many of them anti-Marketisers, and there were cheers when Sir Nicholas Bonser, MP for Newcastle, and the group's chairman, said he hoped Mr Powell would rejoin the party.

Mr Powell said that Britain's membership remained legally and morally revocable, not withstanding the referendum and any treaty for other commitment.

He said that in overcoming its scruples and trampling on its instincts in 1972 as the price for keeping Mr Heath and himself in office, the Tory Party, by a very human perversity had proceeded to redouble and reiterate its commitment to the EEC "like Olyseus jessing himself to the mast".

Ever since Britain's entry, the choice for a Conservative had been between nation and party. "All the indications now from wherever source are the opinion in the United Kingdom is preponderantly hostile to our membership of the Community."

Reject politics of recrimination, Pym says

By Geoffrey Browning

Even within the ranks of the Tory Party the corrupting voice of recrimination could be heard amidst the legitimate challenge and counter-challenge of inter-party debate, Mr Francis Pym, Leader of the Commons, warned.

The country had not faced such grave economic problems for 50 years and nothing could be less likely to produce better times than the politics of recrimination, Mr Pym told a Bow

group meeting where he appealed for people not to become too obsessed with the economic debate.

He acknowledged that people were questioning so-called monetarism but they must be reminded that the Conservatives' central purpose remained the improvement of the country's condition, the unification of a troubled people, and the attainment of long term sustained economic recovery.

The Conservatives must explain, perhaps more carefully, and thoughtfully than they had so

far, why and how the economic policies were being made to work.

The economic debate however was only part of politics. His Party embraced ideals and imperatives far wider than the quest for sound money.

"We must not allow our critics to carry the false argument that in our search for economic stability we have forgotten—or have measured as of less value—the other things that are required to bind together a healthy society", he said.

Companies that can see beyond the next twenty years. Many far-sighted companies are already using coal fired boilers.

Take Graham and Brown, wallpaper printers, for example. Their

new boiler house (which is maintained in absolute pristine condition) has been very much the cornerstone of the company's expansion.

When planning the installation of the new boiler house other fuels were considered, but at the recommendation of their fuel supplier, Graham and Brown, continued with coal. As David

Brown, Director, says "That is the business decision we shall all remember as being of great significance. Just on fuel savings alone, we have calculated that in the first 3 years of operating the new boilers we saved £90,000."

This boiler house is truly modern and was purposely designed for coal firing. From fuel reception, no fuel is seen or handled and ash is transported away to a silo to await collection. With modern pneumatic handling of coal and ash this boiler house is very efficient and very clean.

Let us tell you more

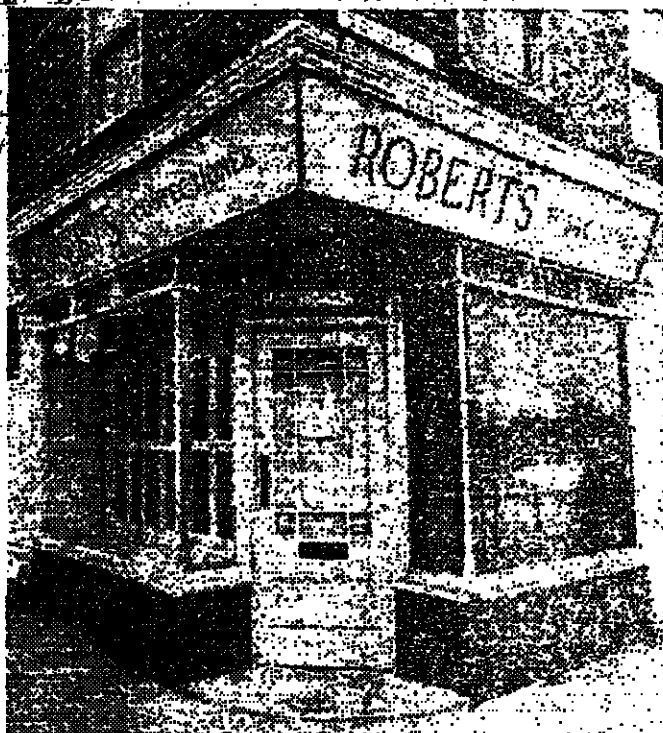
The wide range of coal fired boiler plant and equipment is designed to meet every conceivable need, from power generating requirements to small units in commercial buildings.

In addition there is a nationwide network of coal distributors who are strategically situated to give advice and provide an efficient delivery service to industry.

If you would like one of our fuel engineers to visit and give you free, expert advice, contact the NCB Technical Service.

We will also give you information on the recent government grant scheme which provides up to 25% of the cost of switching from oil to coal-fired boilers.

It's worth contacting us now. So that you can help your company to live later.



Thatcher shop illustrates problem

The derelict state of Mrs Margaret Thatcher's late father's shop in Grantham was referred to at a fringe meeting organized by the Shops in Action campaign. It was given as an example of the loss to any community which occurs when retail shops are forced to close down through economic pressures. A poster advertising the meeting showed the Grantham shop still bearing the name "Roberts" and stated that "fixed costs, including rents, rates and power bills are closing approximately 15,000 retail shops a year."

Mr Michael Gee, speaking on behalf of the retail trade, pleaded for further government action to reduce the financial burdens on small shopkeepers. He said the Roberts' shop was really "the heart of the community" in that area of Grantham. Measures to ensure the survival of such shops were important because they held back the spread of inner city decay.

Mr John MacGregor, Under-Secretary for Industry with special responsibility for small businesses, said that the

government had already taken action which had helped the retailers in the last two years. Standing at what was once a busy crossroads of the old Great North Road at Grantham the shop is an eyesore for local residents. It is the former sub-postoffice and grocery store where Mrs Thatcher spent her childhood and teenage years and helped her father serve customers after school. It was owned by her late father, a former Mayor of Grantham, Sir Alfred Roberts, and was in its day always recognized as one of the better class small businesses in the town.

One man recently got off a bus and laid a wreath on the doorstep to mark the death of the British economy. At the end of this month the leader of the opposition, Mr Michael Foot, his deputy Mr Denis Healey and several Labour MPs will lead a mass demonstration against unemployment. Instead of marching as originally planned across the town from one park to another their route has been slightly extended so that they will march past the shop.

Just as present policies have helped to cause a slump without reducing inflation, I sincerely maintain that a reversal of these policies will lead in time to a recovery in output and employment without increasing inflation. Indeed, it may even make inflation better; certainly it offers the best hope of tackling inflation in the longer term.

Fiscal and monetary policy must both be relaxed. The package should directly reduce industrial costs, thereby also benefiting price inflation, competitiveness in world markets, and profits and investment. It must not put any strain on available capacity, which would erode the direct benefit to costs and prices.

Certainly, with unemployment so high, there is scant danger of labour scarcity renewing wage inflation. And, provided we do not go too far, imports will not be sucked in to the extent of causing a large adverse balance of payments leading to a collapse in the exchange rate.

A moderate fall in the exchange rate would not have severe inflationary consequences, particularly now that the common agricultural policy largely insulates domestic food prices from such fluctuations.

Gilmour insists: There is an alternative

Much of what I say this evening will doubtless be attacked as "wet". What is today characterized as "wet" is quite simply the main Tory tradition. Disraeli, Baldwin, Churchill, Eden, Macmillan, Butler were all "wets" to a man. I believe that my remarks tonight will fall fair and square within the Tory tradition. In some quarters of the party that is, of course, enough to damn them out of hand.

If the Government keeps to the medium-term financial strategy, in the coming year there will have to be cuts of some £5,000m in public expenditure on top of all those cuts that have already been made, or there will have to be tax increases or quasi-tax increases.

Leaving on one side the question of where precisely ministers are supposed to find cuts of that scale, what on earth would that sort of reduction in spending do to demand, and to our prospect for an sort of increase in output?

In other words, if we stay stuck with the financial strategy, we will dig the recession even deeper and, as in the past, raise price inflation too. The choice is clear: either we say farewell to the medium-term financial strategy or we can say goodbye to the British economy.

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A moderate fall in the exchange rate would not have severe inflationary consequences, particularly now that the common agricultural policy largely insulates domestic food prices from such fluctuations.

Sir Ian Gilmour, putting forward a £5,000m package of alternative economic proposals yesterday evening, said that if the Government stuck to its medium-term financial strategy it could say good-bye to the economy. The former Lord Privy Seal, dismissed last month by Mrs Margaret Thatcher, was speaking to a fringe meeting organized by the Young Conservatives in Blackpool. He argued against what he called the "astonishing proposition", often attributed to Mrs Thatcher, that there was no alternative to her policy. Extracts from his speech are printed here.

This emergency package seeks to do four things for the economy: to make an immediate cut in the unemployment figures, to help industry, to increase demand in the economy, and to secure greater cooperation on responsible pay bargaining, which is vital to our economic prospects. Perhaps more important, it is intended to give hope to the British people.

My proposals are: 1. National insurance surcharge. I propose that we should cut the surcharge from 31 to 14 per cent straight away and abolish it in the next Budget. 2. Employment measures. Second, I propose that we should adopt the special measures suggested by Professor Layard for reducing unemployment. These are, first, that employers should receive a £70-a-week subsidy for employing anybody who has been unemployed for more than six months. This would last for one year.

The worker would have no rights under the Employment Protection Act but would be paid the full rate for the job. Obviously, work forces would have to be monitored to see that those taken on under this scheme were additional and not substitutes for those already employed. This should create some 250,000 jobs at the cost of £500m.

In addition, any worker who has been unemployed for more than six months should have the right to be employed on a publicly supported project at a wage 20 per cent higher than his benefit entitlement. Housing renovation is one area where this scheme would have great attractions, as is the community enterprise programme. This also would cost about £2,000 a job, and probably about 250,000 would take advantage of the scheme.

The gross cost of this package would probably be just over £5,000m in 1982-83 if we were to abolish the national insurance surcharge. The immediate cost in the present financial year would be substantially less. And the effect on the public sector borrowing requirement would be much less than £5,000m, since these proposals would lead to

an increase in economic activity.

I would welcome the Treasury's own assessment of all the economic consequences of this package. But I shall only pay any attention if they set them side by side with what their own model is telling them about the consequences of sticking to the course on which we are at present set. The Treasury should not be allowed to get away with using its forecasting machinery to disprove every idea which is advanced by anyone else when it is not prepared to publish what the same machinery tells it about the results of its own policies.

In the future, we should continue expansion within the constraints of industrial capacity and the balance of payments.

We shall have to continue to fight against inflation but with greater discrimination in our choice of weapons.

In order to keep a grip on public spending it is essential to have a tough and coherent policy on public sector pay. But we must also do more to improve collective bargaining machinery in the rest of the economy.

Does anybody seriously believe that the publication of monetary targets and the medium-term financial strategy has permanently changed the mentality of wage bargainers? Of course not.

We should, therefore, revive the proposals that we considered in opposition, but have forgotten about in government, for serious "concerted action" pressures as a first step towards the wholesale reform of our disastrous pay bargaining system.

What I have suggested will increase both private and public investment. But more is needed. Firms in Britain are still reluctant to lend long-term funds to industry.

It should be possible to persuade the banks to do this themselves as happens in West Germany. If not, the more sensible way forward would be for the Government to take on part of the risk along the lines recommended by the Wilson Committee.

Finally, I have no doubt that we should take the lead in pressing for a new Bretton Woods agreement. It is exceptionally difficult for any government to follow a sensible policy in the midst of the present chaos. I hope that we will, with our European partners, work towards a new regime of fixed exchange rates and the establishment of permanent institutional arrangements for the recycling of the Opec surpluses.

Sir Ian Gilmour: 'Relax monetary policy'

It would help to protect our own exchange rate from the wildest fluctuations of the market. If we were to join the EMS at a slightly lower exchange rate, it would help us to make an immediate cut in interest rates.

The gross cost of this package would probably be just over £5,000m in 1982-83 if we were to abolish the national insurance surcharge. The immediate cost in the present financial year would be substantially less. And the effect on the public sector borrowing requirement would be much less than £5,000m, since these proposals would lead to

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Finally, I have no doubt that we should take the lead in pressing for a new Bretton Woods agreement. It is exceptionally difficult for any government to follow a sensible policy in the midst of the present chaos. I hope that we will, with our European partners, work towards a new regime of fixed exchange rates and the establishment of permanent institutional arrangements for the recycling of the Opec surpluses.

Sir Ian Gilmour: 'Relax monetary policy'

It would help to protect our own exchange rate from the wildest fluctuations of the market. If we were to join the EMS at a slightly lower exchange rate, it would help us to make an immediate cut in interest rates.

The gross cost of this package would probably be just over £5,000m in 1982-83 if we were to abolish the national insurance surcharge. The immediate cost in the present financial year would be substantially less. And the effect on the public sector borrowing requirement would be much less than £5,000m, since these proposals would lead to

an increase in economic activity.

I would welcome the Treasury's own assessment of all the economic consequences of this package. But I shall only pay any attention if they set them side by side with what their own model is telling them about the consequences of sticking to the course on which we are at present set. The Treasury should not be allowed to get away with using its forecasting machinery to disprove every idea which is advanced by anyone else when it is not prepared to publish what the same machinery tells it about the results of its own policies.

In the future, we should continue expansion within the constraints of industrial capacity and the balance of payments.

We shall have to continue to fight against inflation but with greater discrimination in our choice of weapons.

In order to keep a grip on public spending it is essential to have a tough and coherent policy on public sector pay. But we must also do more to improve collective bargaining machinery in the rest of the economy.

Does anybody seriously believe that the publication of monetary targets and the medium-term financial strategy has permanently changed the mentality of wage bargainers? Of course not.

We should, therefore, revive the proposals that we considered in opposition, but have forgotten about in government, for serious "concerted action" pressures as a first step towards the wholesale reform of our disastrous pay bargaining system.

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When the other side's papers are fortuitously obtained

TTC Film Distributors Ltd and Others v Video Exchange Ltd and Others
Before Mr Justice Warner
[Judgment delivered October 12]

His Lordship ruled that copies of certain documents obtained fortuitously by the defendant, which belonged to the plaintiffs and which had been exhibited to the defendant's affidavit and used or referred to in evidence, could be retained and used for the purposes of the trial only. His Lordship was giving judgment in the Chancery Division on a motion in an action by L.T.C. Film Distributors Ltd, United Artists Corporation, and Warner Bros Inc against Video Exchange Ltd, Mr Anthony Richard Malcolm Chappell, and two other defendants based on infringement of copyright in video tapes.

Mr John Platts-Mills for the plaintiffs, Mr Chappell in person and for Video Exchange, the other defendants did not appear and were not represented.

MR JUSTICE WARNER said the case came before him on motions and cross-motions in a copyright action between L.T.C. Film Distributors Ltd, United Artists Corporation, each suing in a representative capacity, and Warner Bros Inc, as plaintiffs, and Video Exchange Ltd, Mr Anthony Richard Malcolm Chappell, and two other individuals, described in the writ as Hooper (a male) and G. Holland (a male), as defendants. The first two plaintiffs were, or represented, trade associations of companies involved in the distribution or production of cinematograph feature films, and Warner Bros was the owner of the copyright films produced by that company.

Video Exchange was incorporated in 1979 with a share capital of £100 divided into shares of £1 each. 50 were held by Mr Chappell, and 10 by Mr Richard Johnstone, whom Mr Chappell described as his "former partner". They fell out in 1980. The

business of Video Exchange included the management of a club providing, among other things, facilities for the exchange of video cassettes between its members and for the copying of video tapes for its members.

The case was a sequel to an Anton Pillar order made by Mr Justice Whitford on February 26, 1981 in favour of the plaintiffs against the defendants, which was served and executed at Video Exchange's premises at Bath on March 2.

The plaintiffs' motion asked that Video Exchange and Mr Chappell be dealt with for their alleged contempt of court in failing to comply with certain undertakings given by counsel on their behalf on March 5, to Mr Justice Dillon, Mr Chappell's cross motions were in one case against the plaintiffs and one of their witnesses, Mr Percy Arthur Browne, alleging contempt of court in various respects, and in the other case for relief on the basis that the Anton Pillar order had been improperly obtained, served and executed.

At the end of last term the case was part heard and was adjourned until October 1. A fresh notice of motion was served during the vacation, which arose out of an incident that occurred in the Law Courts on July 31, after his Lordship had ruled in the plaintiffs' favour. The only facts which it was necessary to state with regard to that incident were that the Anton Pillar order had been obtained, served and executed.

His Lordship had then heard argument on the question whether the proviso should stand and this judgment was confined to that question.

Mr Chappell's affidavit was a long one, which had not as yet been read in tota; it had 100 exhibits, some of which were and some of which were not copies of documents obtained from Clifford Turner's files. Of those that were copies from documents in the files, some his Lordship had looked at, either because he had been referred to them in argument, or because they had been put to Mr Browne in cross

examination, Mr Browne's examination having been for his personal convenience, and at Mr Platts-Mills's request, taken earlier than would normally have been the case.

In so far as his Lordship had looked at the exhibits he had done so again at Mr Platts-Mills's request, in camera, so that their contents should not be made public before his Lordship decided the present question.

Lastly some of the documents were copies of documents emanating from Video Exchange itself which would not be privileged from disclosure on discovery, while others were documents that would be so privileged, for example, counsel's opinion, and correspondence between Clifford Turner and the plaintiffs, their attendance notes, and so on.

Turning to the law, Mr Chappell relied on the general rule that in civil as distinct from criminal proceedings the court has no power to exclude relevant evidence even though that evidence has been unlawfully or improperly obtained, and on the rule, that if the original of a document is privileged, secondary evidence of its contents, such as a copy, may if available be adduced. He relied particularly on *Calcraft v Cresswell* (1896) 1 QB 759 and *Hedgwell v Pigott-Sims* (1980) FSR 356.

Mr Platts-Mills put his case in two ways: first he relied on *Ashburn v Pease* (1915) 2 Ch 463 which he submitted, and his Lordship agreed, was not an isolated decision, but was illustrative of a general rule, that where A has improperly obtained possession of a document belonging to B, the court will, at the suit of B, order A to return the document to him and to deliver up any copies made, and will restrain A from making any use of any such copies of the information contained in the document.

His Lordship had little doubt that if on or before October 1, the plaintiffs and Clifford Turner had issued a writ against Mr Chappell

claiming relief they would have been entitled to it. But there seemed to his Lordship to be difficulties in granting such relief now.

But there was no need to discuss those difficulties now, because Mr Platts-Mills had satisfied his Lordship that he was entitled to succeed, at least in respect of exhibits to Mr Chappell's affidavit that his Lordship had not yet looked at, on his alternative submission.

That submission, in a nutshell, was that in the circumstances of this case his Lordship must balance the public interest that the truth should be obtained (the reason for the rule in *Calcraft*) against the public interest that litigants should be able to bring their documents into court without fear that they might be seized by a third party, whether by stealth or by a trick and then used in evidence.

Mr Platts-Mills referred to *Riddick v Thames Board Mills Ltd* (1977) 1 QB 881 where it was held that a document obtained on discovery in an action could not be used as the basis of a subsequent action. The present case, he submitted, was a fortiori, because in *Riddick's* case the document had been lawfully obtained in the first place. His Lordship agreed that the present case should be added to the list of instances referred to in *Riddick's* case where relevant evidence should be excluded from forensic scrutiny.

His Lordship did not overlook that for a litigant to take possession by stealth or by a trick of documents belonging to the other side, within the precincts of the court, was probably contempt of court, so that there might be another sanction. If it was contempt then the court should not countenance it by admitting such documents in evidence. Nor did his Lordship overlook the Court of Appeal's decision in *R v Tompkins* (1977) 6 Cr App Rep 181. But that case proceeded on

the footing that the document in question had come into the possession of the prosecution fortuitously and the relevance of possible impropriety was not discussed.

Mr Chappell asked his Lordship to allow him to use the exhibits on two main grounds: first that the plaintiffs had been guilty of misconduct in the way in which they had obtained the Anton Pillar order and served and executed it, and the way in which they had obtained evidence subsequently.

Those were matters that his Lordship would have to deal with when dealing with the earlier motions of last term, but assuming, for present purposes, that there was misconduct on the plaintiffs' part in that respect, the short answer was that two wrongs do not make a right.

Mr Chappell's second ground was that the exhibits disclosed inquiry of the part of the plaintiffs of a kind that they should not be entitled to conceal. It seemed to his Lordship, however, that the examples of such inquiry given by Mr Chappell were not very convincing.

On the other hand, it seemed impossible for his Lordship now to exclude the documents that he had already looked at. Of course it often happened that a judge was called upon to look at a document to see whether it was admissible. If having done so he decided that it was not, he had to put its contents out of his mind, even though that was not always an easy mental feat. But here the documents, although not formally put in evidence, had in fact been used as evidence. It would be quite impossible to ignore the answers given by Mr Chappell when such documents were put to him.

His Lordship therefore thought that the proviso to his orders must stand as regards those documents.

Solicitors: Clifford Turner.

Government to check on opticians' prices

HOUSE OF LORDS

Lord Eton, Under-Secretary of State for Health and Social Security, promised at question time in the Lords to investigate the charging practices among some opticians.

Lord Fagot (Lab) had complained: "If I were to break my glasses and require a pair urgently, I would go to the optician and be told that they can do rush job if I pay an exorbitant price of some £20 to £30 for a set of frames, but if I have national health ones, it will take about three weeks. This is a racket and it ought to be stopped."

There used to be a counter at Woolworth's where one could select one's own glasses. This was admirable for the vast majority who needed glasses because old age had weakened their eyes. A small minority required and could get medical assistance, but had glasses had very little effect at all on making it either worse or better.

Lord Eton: The qualified inspection of the eyes of somebody looking for spectacles can reveal a number of diseases of the eye and diseases of the rest of the body—an occasion that should not be missed in the view of the Government.

Lord Rugsby: Section 21 of the Opticians Act, many people feel, confers not only a right, but also a form of infallibility.

Lord Eton: Carry spare glasses. As to the urgent requirement of glasses, I will certainly inquire as to the delays he refers to. In the meantime, I suggest he carries a spare pair.

Lord Winstanley: To insist on a detailed ophthalmic examination before allowing elderly people to buy magnifying glasses is about as sensible as insisting on medical examination before allowing them to buy a walking stick.

Lord Oxburgh (C): As the General Optical Council have now persuaded their members that they may now display their prices, are these now generally being displayed?

Is it not a fact that a number of people who did have prices in their windows have now withdrawn those prices so that no one knows now how much they are going to pay for their over-priced spectacles?

The Minister for Consumer Affairs (Mrs Sally Oppenheim) has stated, and it is the only one, I am firmly convinced, that the best way to foster vigorous competition in the supply of private spectacles would be to relax the monopoly of supply imposed by the Opticians Act.

Is not this one of the things which should come forward in the next session, to the great benefit of all those who buy a million pairs of spectacles and pay two to three times what they ought to for their spectacles?

Lord Eton: The ban on the display of prices was lifted by the General Optical Council on May 1. The Office of Fair Trading has now sent out a questionnaire asking 600 opticians whether, and in what form, they are displaying prices. We will know more about the results of this change when we have the answers to the questionnaire.

Before we decide to change the Act, we must establish exactly how it is working. That means a review. The review will be for this review are at present under discussion between the two departments concerned and the Office of Fair Trading.

Lord Rugsby had earlier asked the Government for a statement on a competition articles of the Treaty of Rome to air transport.

He urged further progress in realizing a single market as an essential cornerstone of what they wished to achieve in the Community. It would enable all to work together with confidence to build the environment, foster the creation of new jobs, vitally needed to end the scourge of unemployment and to enhance the quality of life for all EEC citizens.

Mr Hurd, speaking for the council of Ministers, said that the commission would continue to work within the framework of the internal market, most of them based on technical standards or regulations, seriously inhibited internal trade and was an unwelcome handicap to traders who rightly wished to treat the Community as a single market.

Where such measures were contrary to Community law, the Commission would assume its responsibilities. Where they were legitimate, the Commission could issue directives or regulations of which had been adopted. But too many directives had been on the table for too long, that was partly because of a lack of solution to the problem of type-approving products from third countries.

Britain, the growth the Commission was making major effort to impact new impetus to the work so that outstanding directives could be adopted as quickly as possible.

The services sector needed especially urgent attention. Little had been done to build up the common market for services alongside that for goods. The European consumer was, as a result, deprived of the benefits he would derive from a unified market for services.

That sector had considerable potential to help offset lost employment in traditional industries which were under threat from developing as it should.

Adoption of a directive on non-life insurance would be a major step forward. It could not be right to deny the benefits of free competition to those seeking the insurance. Progress in the common market for professional qualifications should be expected.

It was time to make progress on temporary import of vehicles and permanent import of personal effects.

Air transport stood out unfavourably as an area where the basic objectives of the Treaty of Rome had not been achieved, and the presidency intended to make as much progress as possible on liberalising the very severe regulatory rules on regional air services within the Community, on relaxing regulations governing flying of air fares, and on applying

provisions resulting in a firm trading as "Mister Lenses" had fined 5400 plus costs for selling magnifying lenses in frames and to state whether the General Optical Council had powers to control the importation and sale of all refracting lenses, or if only of specific lenses, whether a list and description of such lenses should not be available at all times.

Lord Eton replied: On June 16, 1981, a company known as M. L. Lenses, Ltd, and trading under the name of "Mister Lenses" was charged with two offences of selling optical appliances contrary to Section 21 of the Opticians Act. The company pleaded guilty and was fined £200 on each offence and ordered to pay £50 costs.

The prosecution was brought by the General Optical Council. It had received a large number of complaints that the company, without the supervision of a registered medical practitioner or a registered optician, had been offering for sale plastic frames glazed with magnifying lenses.

The General Optical Council has no power to control the importation of refracting lenses but it does have the same right as any one else to prosecute where an optical appliance is sold by a person who is not a registered medical practitioner or a registered optician.

Lord Rugsby: Section 21 of the Opticians Act, many people feel, confers not only a right, but also a form of infallibility.

A great environmental outrage would be committed if a proposal went through to build on land around the south of the city of Beverley Minister in North Humberside, Lord Kennet (SDP) said when he opened a short debate on the subject.

He asked the Government, in view of the apparent breach of faith by the Beverley District Council in selling for housing land which its predecessor, the Beverley Borough Council, had bought under threat of compulsory purchase for public open space.

He said Beverley Minister had no rivals in this country except Salisbury Cathedral and Westminster Abbey. Immediately south of it was a geographical feature unique in this country and very rare elsewhere in Europe—an unbroken view of green fields and hedges from the church out into open country.

It was now proposed to build on part of the site although there was no shortage of building land in Beverley. If the plan was changed no one would be the wiser.

Unless it was changed one of the greatest churches in Europe would be deprived of an extraordinary and unique view.

The Earl of Avon, for the Government, said that the Government had consistently taken the view that the decision should rest with the democratically elected members of the council. Intervention in this case would be inconsistent with Department of the Environment policy of non-intervention in local planning decisions.

Because of consistent pressure on the department to intervene—even after outline planning permission had been granted—it was concluded that there was no way the department could effectively intervene short of the Secretary of State making an order to revoke outline permission, and this was almost without precedent.

The Council was clearly unwilling to revoke the permission, and the Secretary of State was reluctant to impose this on them.

The Education (Scotland) Bill was read the third time and passed.

Lord Kadoorie, formerly Sir Lawrence Kadoorie, a Hong Kong businessman and Justice of the Peace, was introduced.

British minister seeks single market in EEC

EEC PARLIAMENT

The need for ensuring further progress towards a single market in the European Economic Community, particularly in services, was the keynote of a speech by Mr Douglas, Minister of State, Foreign and Commonwealth Office, during a debate on competition policy in the European Parliament in Strasbourg.

Mr Hurd, speaking for the council of Ministers, said that the commission would continue to work within the framework of the internal market, most of them based on technical standards or regulations, seriously inhibited internal trade and was an unwelcome handicap to traders who rightly wished to treat the Community as a single market.

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competition articles of the Treaty of Rome to air transport.

He urged further progress in realizing a single market as an essential cornerstone of what they wished to achieve in the Community. It would enable all to work together with confidence to build the environment, foster the creation of new jobs, vitally needed to end the scourge of unemployment and to enhance the quality of life for all EEC citizens.

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Reagan beaten in first round of Awacs fight

From Nicholas Hirst, Washington, Oct 14

President Reagan suffered a setback today in his plan to sell five Airborne Warning and Control Systems (Awacs) aircraft to Saudi Arabia when his proposals were defeated in the House of Representatives by 301 votes to 111.

A total of 108 Republicans voted against the sale and President Reagan is now having to concentrate on the Senate as both houses of Congress must vote against the sale to prevent it going ahead.

The President today invited nine Senators to the White House, including two who have signed a resolution sponsored by 50 of the 100-member Senate, as part of his lobbying effort.

The Senate foreign relations committee will vote tomorrow on a resolution against the \$8,500m (£4,720m) package, which includes the Awacs. That vote could prove a key indication of which way the Senate as a whole will go. It is still unclear how near the President is to winning in the Senate.

Mr Howard Baker, the republican majority leader in the Senate, said today the fight would be won or lost on the Senate floor and estimated that opponents had no more than 45 to 47 hard votes against. But Mr Alan Cranston, the Democratic leader, estimated the rejection figure at 55.

Lobbying has shifted in emphasis to emphasize that Saudi Arabia will get the radar aircraft it needs, it is only a question of who supplies them. Administration officials say the United States must sell them to reinforce its influence in the Middle East in the wake of the assassination of Sadat.

In the debate in the House of Representatives, members were mostly concerned that advanced technology could fall into hostile hands should there be a coup in Saudi Arabia.

Meanwhile, the United States today sent two Awacs aircraft to Egypt to monitor military activity as part of its show of support for the President Hosni Mubarak.

The Administration is also considering speeding deliveries of arms to Sudan and increasing the \$100m (£55m) military aid proposed for 1982.

But concern is being expressed in Congress and in European diplomatic circles here about the extent of the Administration's initiatives to

shore up Middle East security and officials are now emphasizing the limits to involvement lest there be any suggestion of heading for a desert Vietnam.

White House and State Department spokesmen have pointed out that the training teams being sent to Sudan will confine themselves to teaching the use of equipment supplied and will not advise combat units.

Mr Caspar Weinberger, the Secretary of Defence, said on television yesterday that he saw no role for United States troops in the defence of Sudan or Egypt, and Mr Alexander Haig, the Secretary of State, on the same news programme said: "I don't think it serves any useful purpose to draw lines in the sand."

Mr Dean Fischer, State Department spokesman, said similar to the ones involved for Saudi Arabia, were being sent in response to Egyptian requests given to Mr Haig during his meetings in Cairo.

The would be used for familiarization training with the Egyptian Air Force and for surveillance.

Jeeps and air defence guns are already contracted by Sudan, but not yet delivered. In the past, military cargo aircraft and 36 armoured personnel carriers have been sent.

The new package involved armour and air defence equipment, Mr Fischer said.

Operation Bright Star, the largest military exercise involving United States and moderate Gulf forces next month to provide experience for the recently formed United States rapid deployment force, is planned to be expanded to include manoeuvres in Sudan.

This is intended as a signal to Libya, according to Defence Department officials, but discussions with governments in the region were continuing and no decisions on the exercise have been made.

About 4,000 troops will take part compared with 1,400 in a similar exercise last year, but there has been no increase in the numbers since Sadat's assassination.

Mr John Glenn, Democratic Senator for Ohio, tipped as a possible nominee for President in 1984, on television today accused the Administration of signalling its intentions in the wake of the assassination with "an uncertain trumpet".

Security clamp as Mubarak speaks

Continued from page 1

the achievement of autonomy rule, so that the people of Palestine might be put on the threshold of the proper path for self-determination, and the restoration of their legitimate rights", he said.

Before the new President spoke, the assembly was addressed by President Nimeiry of Sudan, who stayed for the ceremony in a gesture of solidarity with the Egyptian Government. Describing both the late Egyptian leader and his successor as "brothers", Mr Nimeiry declared:

"Together we shall fight with one hand for our people, the people of the Nile Valley." Yesterday the Sudanese President and his wife voted in the plebiscite.

Mr Mubarak spoke with open emotion about the legacy of President Sadat and at one point paused to wipe away tears as he told the 392 Egyptian parliamentarians: "It is my fate to stand before you in this place in his absence."

Without referring in detail to the assassination, he paid fulsome tribute to the Egyptian armed forces and pointed out that the killing "had been carried out by one traitor" out of hundreds of thousands of troops. He claimed that the incident would be forgotten in the history of the army's achievements in battle.

"I know how you feel, and that is why I am telling you this," he added directly to the soldiers watching the broadcast all over Egypt.

Although Mr Mubarak spoke without the flamboyant gestures associated with his predecessor, his reaction among ordinary Egyptians indicated that the speech had been well received. But if there had been any opposition, it was prevented from showing itself by the rigid state of emergency now in operation, banning all meetings and marches. Security forces were heavily in evidence around the Parliament building.

Mr Mubarak used his first speech as president to plead for national unity, urging the people to overcome grudges and bury recent differences. In keeping with his reputation as a stern disciplinarian, the former Air Force commander vowed ruthless action against those attempting to disrupt stability—particularly Muslim fanatics.

The President emphasized that his commitment to continuity with the previous regime would extend throughout Egypt's social and economic sphere.



President Nimeiry of Sudan embraces President Mubarak in the People's Assembly in Cairo. The new Egyptian president's hand is bandaged — he was wounded when President Sadat was assassinated nine days ago

LABOUR SIX CHALLENGE EEC DEAL

From David Wood, Strasbourg, Oct 14

Six of Mrs Barbara Castle's platoon of 17 Labour MEPs in Strasbourg today nailed their colours to the mast of British withdrawal from the EEC. They called their own press conference to give their slant to Mrs Castle's peace terms, announced 24 hours earlier.

The militant six (a seventh pulled out overnight) are Mr Richard Balf, Mrs Buchan, Mr Richard Caborn, Mr Alfred Lomas, Mr Thomas Megahy and Mr Barry Seal. They accepted Mrs Castle's insistence that they should not form a separate group.

But they invoked Labour's conference policy for withdrawal and announced that they would work with any anti-membership group.

Astles killed my brother, Ugandan tells court

From Charles Harrison, Nairobi, Oct 14

A witness told the Uganda High Court in Kampala today that Mr Bob Astles, the British-born aide of former President Idi Amin, killed his brother after firing at the canoe in which he and his brother were travelling in May 1977.

The witness, Mr George Bisase, said his brother, Henry Musisi, died from his wounds.

Mr Astles, white-haired and with a white beard, made occasional notes in court today as the hearing proceeded. He denies the charge of murder, which carries a sentence of death by hanging.

A Ugandan police officer, charged along with Mr Astles, also denies the charge. Giving evidence today, Mr Bisase said he and his brother

were travelling in their motorized canoe across a small bay in Lake Victoria when Mr Astles approached in another boat. He said no warning was given before Mr Astles opened fire.

Cross-examined by Mr Philip Wilkinson, QC, for Mr Astles, he denied that he was mistaken in his account of the incident.

Mr Wilkinson suggested that there were serious discrepancies between the version given in an earlier police statement by the witness and his evidence in court today.

Earlier, a police pathologist, Dr Matthew Kakande, gave evidence that the exhumed body of the dead man had a skull fracture which could have been caused by a bullet.

Cold comfort for the British in latest French plan for EEC

From Charles Hargrove, Paris, Oct 14

The French Government has made public a document outlining a wide range of assorted proposals to breathe new life into the European Community and for a common approach to unemployment, energy, and industrial and regional planning.

The proposals also cover limited "adjustments and improvements" of the common agricultural policy. But they strike a strongly orthodox line which differs little from its predecessors.

M. André Chateaubriand, the Minister for European Affairs, who presented the document at a press conference yesterday, further drove the point home when he was asked whether it ruled out structural reforms of the common agricultural policy and the Community budget.

He replied that France was not trying to evade these issues. The agricultural price system must cease to benefit large producers and encourage them to step up their output and produce large surpluses. They were responsible for the present Community budget problem.

But he gave cold comfort in Britain in its efforts to obtain a permanent readjustment of its contribution.

"To demand a 'just return' for national contributions (as Britain did) is not the right approach," the Minister declared categorically. "If this became an accepted principle there would, at the limit, be no Community left at all. There must be solidarity between member countries."

He added that the compromise settlement of May 1980 in Britain's favour was a "mis-calculation" on the part of the Giscardian government. Britain had got more out of it than its partners in the Community had bargained for.

The central idea behind the French paper is the Socialists' concern that the Community respond to the economic crisis and beat unemployment.

Specifically, its proposals are: Community borrowing for finance investment projects.

An extension of the monetary "disciplines" of the European Monetary System.

The "definition of a real commercial and foreign economic policy".

A tightening of Community preferences, especially for agricultural products.

Greater use of the European Social Fund to help medium and small firms to create jobs and reduce working hours.

More consultation between the Community and labour organizations.

Encouragement of worker participation in industry.

More cooperation on research and development of energy and the removal of obstacles within the Community to industrial expansion, especially of high technology industries.

British welcome: The British Government today welcomed what it described as the general concept of the French plan (David Cross writes). But it rejected M. Chateaubriand's attack on London's approach to the delicate problem of EEC budgetary reform.

Whitehall officials said Britain shared France's concern to promote the long-term development and strengthening of the Community. But they took strong exception to M. Chateaubriand's contention that Britain was only interested in getting out of the Community what it paid in.

Plea by Hurd to remove barriers

Mr Douglas Hurd, Minister of State at the Foreign Office, made a call in Strasbourg yesterday for a further effort to remove barriers between EEC countries. Improvements in this area would benefit the individual citizen, he said in a debate in the European Parliament (Peter Strafford writes).

He mentioned action on the fixing of air fares, the reduction of frontier formalities, greater competition in the provision of insurance and further action on the recognition of professional qualifications.

The man who stands in for Schmidt

Genscher hides shrewd political brain behind affable exterior

From Patricia Clough, Bonn, Oct 14

While Herr Helmut Schmidt, the West German Chancellor, recovers from his operation, some of his duties will be carried out by the man who, in theory at least, could topple him and his Social Democrats any time he wished.

Herr Hans-Dietrich Genscher, who is 45, is known abroad as a good but slightly colourless Foreign Minister. At home he is one of the most powerful men in the country.

He is the undisputed leader of the small Free Democratic party which, as neither of the big parties seems able to achieve an absolute majority—can bring about a change of power simply by forming a coalition with one or the other.

For 12 years the Free Democrats have remained firmly committed to the Social Democrats. But now it is widely believed that Herr Genscher is thinking of turning to the Christian Democrats some time before the 1983 election, if a suitable moment arises.

Should Herr Schmidt be unable to govern again, Herr Genscher could well decide that the moment has come to see the SPD-FDP coalition won last October's election partly on the strength of Herr Schmidt's own success as Chancellor.

The Free Democrats say it



Hans-Dietrich Genscher: Insatiable appetite.

would be very difficult to find any other SPD leader whom they could support. Moreover the rising left-wing dissent within the SPD is worrying many members of this more moderate, liberal party.

During recent months, Herr Genscher has been seeking to create an impression of political independence from the Social Democrats. His aides maintain that this tactic is designed to keep the new voters they won in the election and not to prepare for a change to the Christian Democratic Union.

It is in his third role as Vice-Chancellor that Herr Genscher

is standing in for Herr Schmidt. If the Chancellor went Herr Genscher would continue in a caretaker capacity until the Bundestag elected a successor. And as the candidate traditionally comes from the biggest coalition party it is unlikely that Herr Genscher would ever be given the job.

Behind Herr Genscher's bland and affable exterior is an exceptionally shrewd political brain. Although he lacks personal charisma, he is the second most popular politician after the Chancellor. Much seems to be due to his aura of reliability—in fact his desire not to make the FDP appear shallow opportunists is making him particularly cautious about a possible change of allegiance.

The secret of his success is an insatiable appetite for work combined with an exceptional capacity to absorb information rapidly. His working day starts about 6 am and goes on until late at night, with little time for relaxation, even at weekends.

Herr Genscher has had his own bouts of heart trouble. He was treated for heart rhythm disturbances in 1979, ignored warnings by the Chancellor and his doctors to curtail his activities and was back in hospital again five weeks later.

IN BRIEF

Dane quits over postal dispute

Copenhagen.—Mr Jens Rigsgaard Knudsen, the Danish Minister of Transport and Communications, resigned over a dispute which has left about a million letters unsorted in Copenhagen's main post offices (Christopher Follett writes).

The postal system halted because of labour unrest and technical difficulties.

Arafata meets Suzuki

Tokyo.—Mr Yassir Arafat, the Palestine Liberation Organization leader, has met Mr Zenko Suzuki, the Japanese Prime Minister. Both pledged to work for a "just, lasting and comprehensive" Middle East peace.

Turkish trial

Ankara.—Mr Alpaslan Turkes, a right-wing party leader and former deputy prime minister, who is on trial on charges of trying to stage a coup, said he could have started a civil war if he had wanted to and nobody could have prevented it.

Machel in Rome

Rome.—President Samora Machel of Mozambique, saw President Pertini on his arrival here for a three-day visit. It is his first official visit to a Western country.

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Tripoli accused with Algiers over air clash

Rabat, Oct 14.—The Moroccan Parliament has accused Algeria and Libya of responsibility for shooting down two Moroccan aircraft in a missile attack over the Western Sahara yesterday.

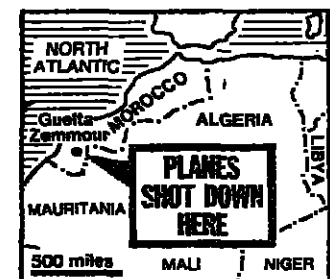
At an extraordinary session last night Parliament adopted a motion which "imputed the responsibility to the Algerian and Libyan governments, which undertake acts to envenom the war" in the Western Sahara, the Moroccan news agency MAP reported. The Polisario Front guerrilla organization is fighting Morocco for the independence of the Western Sahara.

King Hassan said last night that a Hercules troop transport and a Mirage fighter were shot down by Sam 6 or Sam 8 missiles in a big attack on Moroccan forces at Guelia Zemmur, the Polisario Front has not confirmed the attack.

(The Hercules was flying at 18,000ft and the Mirage was at 30,000ft and at maximum speed. Sam 6 missiles are far more sophisticated than Sam 7 used previously by the Polisario Front.

A source said that the Hercules, on reconnaissance, had been hit first by one of the missiles it had located. Mirages were sent to the area and one was shot down. Other pilots identified Sam 6 launching ramps. —AFP.

There was no official indication of casualties, apart from the loss of the aircraft. Not much information about the military situation in the area. Guelia Zemmur was attacked in force by Polisario guerrillas last March, when they claimed to have "liberated" the area.



Libyan-Algerian threat to Moroccans in Sahara

By Henry Stanhope, Defence Correspondent

Moroccan accusations of Libyan-Algerian involvement in the Western Sahara fighting may or may not be correct, but they are hardly surprising.

Both countries would seem to have the intention. This is demonstrated in the case of Algeria by long-standing confrontation with King Hassan and active support for the Polisario guerrillas. In Tripoli Colonel Gaddafi's vision of an Islamic socialist Sahara have clouded the future of a number of desert states.

Both countries have the Soviet Sam 6 missiles which, according to Rabat, are being responsible for shooting down a Moroccan Air Force Hercules transport and a Mirage F1 fighter.

The Military Balance 1981-2, which was published last month by the International Institute for Strategic Studies, lists no Sam 8s which were also named by the outraged Moroccans, but both countries have other anti-aircraft systems including the Sam 9. This, like the Sam 8 is a faster, lighter, more agile weapon than the middle-aged Sam 6. Geographically and historically, Algeria would seem the more likely culprit

and although its armed forces have carefully avoided being drawn into open conflict with the Moroccans, a number of Algerians have been captured on the border of the Western Sahara by Polisario guerrillas.

Assessed in terms of equipment, the more likely supplier would be Libya, whose problem is to find enough skilled personnel to man its population of just over three million to justify a staggering large fleet of Soviet tanks and a tactical air force which is hardly less impressive.

On the face of it the Moroccan suspicion that their forces are being confronted by Libyan-Algerian equipment manned by imported crews from Cuba and East Germany sounds credible. The significance, however, is harder to assess.

Few analysts believe that Morocco could be dislodged from the Western Sahara by the Polisario Front on its own.

Although the Moroccan rebels are officially dependant on conscripts, they are in fact filled by long-term regulars attracted without difficulty by the security afforded and by traditional military ties.

JAIL STAFF STRIKE IN ITALY

From Peter Nichols

Rome, Oct 14.—Prison governors and administrators from throughout the Italian prison system will begin an unprecedented three-day strike tomorrow in an attempt to win higher pay and greater autonomy.

The Government has made arrangements to maintain essential services in the prisons but no one can predict what will happen. The governors have tried for more than a year to obtain special treatment which would differentiate them from the rest of the civil service.

They are seeking decentralization of the prison system and say that administration should be taken out of the hands of the judiciary and given to those who have made their careers in prison administration.

Meanwhile, two bandits who gave information to the police after their arrest told Gennarozzi they required protection in prison. One of them said: "We have already been condemned to death because they will kill us in prison. We do not ask for clemency, just protection".

The family of another bandit is demanding damages after his murder in a Sardinian prison.

THAILAND PLANS NEW PRISONS

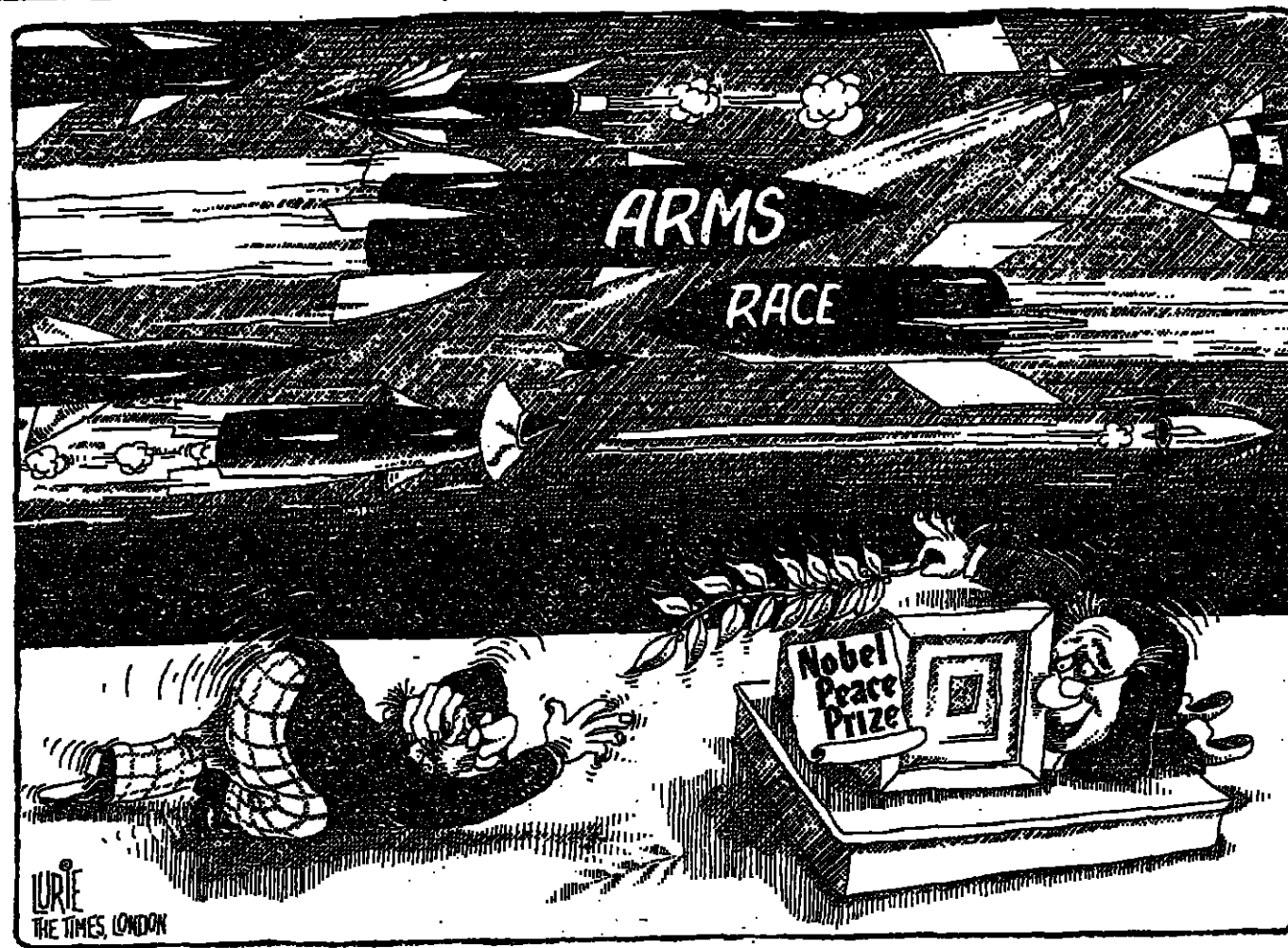
From Neil Kelly

Bangkok, Oct 14.—Thailand is to build 10 prisons to overcome the serious overcrowding which led to a recently ended hunger strike by more than 50 foreign prisoners. The prison service said today that £4.5m would be spent on building new prisons and repairing old ones to standards specified by the United Nations.

The strikers claimed that in Bangkok maximum security prison near Bangkok only 12 square feet of living space was granted compared with the United Nations and Amnesty International's recommended minimum of 65 square feet.

Prison officials admit that Bangkok, built for 3,000, might have 5,000 prisoners but deny that building plans are related to the hunger strike. None of the strikers' other demands, which included a review of their sentences and repatriation to serve their terms in their own countries, have been met.

The strike ended on October 7 when the last man fasting, an Australian, began eating after 35 days. Other participants fasted for about two weeks.



'Congratulations!'

EEC puts pressure on Moscow and Hanoi

By Simon Scott Plummer

Determination to maintain pressure on the Soviet Union and Vietnam to withdraw their troops from Afghanistan and Cambodia respectively was expressed by the EEC at a meeting yesterday. The Association of South-east Asian Nations (Asean) during talks which ended in London yesterday.

Foreign ministers of both bodies were holding their third joint meeting since 1978. Asean members are Indonesia, Malaysia, Philippines, Singapore and Thailand.

Lord Carrington, the Foreign Secretary and current EEC President, told a press conference that the prospect of overwhelming condemnation at the current session of the United Nations General Assembly and continued guerrilla resistance might persuade the Soviet Union to seek an accommodation. He welcomed Asean's endorsement of an EEC proposal for a two-stage conference on Afghanistan.

The Communists supported Asean proposals on Cambodia endorsed at the United Nations conference in New York in July which call for the withdrawal of Vietnamese troops and for free elections.

Lord Carrington also expressed EEC backing for Mr. Son Sann, former Prime Minister of Cambodia and leader of the Khmer People's National Liberation Front, as a third force distinct from the Khmer Rouge of the Vietnamese-sponsored Heng Samrin regime in Phnom Penh. However, this did not extend to material assistance.

The meeting also witnessed a step forward in attempts by the EEC states to coordinate foreign policy (David Spanier writes). They are now committed to "consulting partners before adopting final positions or launching national initiatives on important issues of foreign policy". Beyond this they will seek to take joint action wherever possible.

The President in office in future will be assisted by a small team of officials seconded from the foreign ministries of the preceding and succeeding presidency countries. This arrangement meets the need for a secretariat to provide operational support without, however, setting up any new institutional machinery. Lord Carrington, for instance, can now call on the services of Dutch and Belgian diplomats to assist his political director at the Foreign Office.

Another innovation is a procedure for arranging emergency meetings within 48 hours if requested by three member states. The idea is to prevent damaging delays in coordinating EEC policy, such as occurred after the Soviet invasion. Increasing contacts with third countries on foreign policy issues were approved.

The London meeting also agreed to continue discussion of the "political aspects of security" such as the review conference on European Security and Cooperation in Madrid, on which the foreign ministers are pressing for speedy results, and disarmament questions.

Peace prize for UN refugee work

By David Spanier

This is the second occasion that the Office of the UNHCR has won the Nobel Peace Prize. Its work with refugees in Europe in the years immediately after the Second World War won it the prize in 1954. This year the prize is worth a record one million Swedish crowns (£120,000).

The present High Commissioner is the former Danish Prime Minister, Mr. Poul Hartling, aged 67, a quietly spoken, hard-working administrator, constantly on the move either visiting refugee camps or mobilizing funds. "I am completely taken by surprise," he said in Geneva yesterday, when told of the announcement from Oslo. "Thank you Oslo, thank you very much."

"This award is not only for the devoted staff of my office but for the courageous refugee people of the world. They are some of the best people in the world," Mr. Hartling added. The Nobel prize — for which there were 86 candidates this year — would be seen as a great encouragement by the refugees themselves, he said.

Besides supplying food, shelter and first aid to uprooted populations, the UNHCR has increasingly found itself supplying refugees with the tools to start a new life, building roads to semi-permanent camps and diverting water for the benefit of the local inhabitants as well as the new arrivals.

The organization's current budget is estimated at \$460m, falling to \$420m, next year.



AFGHANS A MAIN PROBLEM

Geneva, Oct 14: Calls on the United Nations High Commissioner's funds have mushroomed in recent years with the creation of huge refugee populations in Pakistan, Africa and south-east Asia.

The plight of some 1.7 million displaced Afghans living in tents and huts in north-west Pakistan was the central theme taken by the High Commissioner and delegates at a meeting here this week.

The Soviet Union, which does not take part in UNHCR relief work, has been sharply criticised for its armed intervention in Afghanistan. Mr. Poul Hartling said it was clear from his recent visit to Pakistan that the refugees were "eagerly waiting to get back." —Reuter.

Wellington welcomes the Queen

From W. P. Reeves

Wellington, Oct 14.—The Queen arrived in Wellington this evening from Dunedin accompanied by the Duke of Edinburgh. She stepped from her aircraft to be greeted by Mr. Robert Muldoon, the Prime Minister, and Sir Michael Fowler, the city mayor.

The royal couple were cheered by a hundred or so flag-waving people. Later a small group of protesters, demonstrating for a variety of causes, including Irish republicanism, Maori land rights and anti-monarchy, were generally unwelcome among a crowd of several hundred who waited outside the prime ministerial residence.

A report of an explosion near the royal route which had security forces in the alert, appeared unrelated to the visit.

Earlier, at Dunedin the visitors encountered a similar demonstration.

President Jayewardene, who is personally directing arrangements for the Queen's four-day visit to Sri Lanka which begins next Wednesday, today told cabinet ministers involved that the maximum number of people should be allowed to see the Queen during her public appearances in Colombo and in the Provinces within the limitations of security and protocol. (Our Correspondent writes).

[Sydney: Captain Mark Phillips politely pushed aside questions on the Royal Family at his first press conference in Melbourne today but willingly fielded others on his lifelong love-horses. (AP reports).

Nevertheless, he did say he very often felt like replying to articles which were purely gossip but the articles did not warrant it.

Trudeau compromises on constitution

From John Best, Ottawa, Oct 14

The possibility of a negotiated solution to Canada's constitutional impasse was still not ruled out today after a meeting yesterday between Mr. Pierre Trudeau, the Prime Minister, and Mr. William Bennett, the Premier of British Columbia.

Emerging from the three-hour meeting last night, Mr. Trudeau told reporters that progress had been made. The Premier had agreed to talk to his fellow premiers and he would not be doing that if he had not made some progress.

Mr. Bennett, the spokesman for eight provincial premiers who are opposed to the unilateral federal plan for bringing home the constitution to give Canada final control over the 1867 British North America Act after attacking an amending formula and a bill of rights.

Mr. Trudeau has given a warning, however, that he will press ahead with final parliamentary ratification if an eleven-hour agreement with the provinces cannot be reached. Such an agreement would presumably require a meeting between himself and all the 10 provincial premiers, only two of whom support his resolution.

None of the obstacles to an agreement have yet been removed.

Arrigo Levi: A Personal View

Mixed bag of cures for sick economies

This is a period of interesting, possibly creative, confusion in economic policy. Which policy — if any — will put an end to the great crisis? Who will defeat the general economic slowdown, which began, well before 1973 and the oil-shocks, as a result of inflation and stagflation?

To fight the crisis new policies were tried. Neo-Keynesian theory, once widely acclaimed, became unpopular, while policies based on monetarism and the containment of social expenditure, though their effectiveness remains unproven. Almost everybody says that inflation, the Number One enemy, must be defeated to cure the twin ills of unemployment and slow growth. But each nation has been fighting inflation in its own way and with a varying degree of zeal.

A comparison between the economic performances of the main Western nations can now embrace a fairly long period of crisis — the full decade of the Seventies. But there is little clarity in these comparisons: they seem unable to indicate distinct links between economic policies and economic performances.

A table prepared by Professor Fritz Schärpf, of the Berlin International Management Institute recently presented to a meeting organised in Bologna by 77 Mulino, shows the order of economic performance in the years 1970-79 of eight industrial nations: Germany, Switzerland, Austria, United States, France, Sweden, Britain and Italy. This is, by the way, the order of performance in resisting inflation. The order changes drastically, but in a most confusing way, if we choose other indicators.

GNP GROWTH

1. Austria
2. France
3. United States
4. Italy
5. West Germany
6. Britain
7. Sweden
8. Switzerland

Other important factors are even less measurable like the burgeoning vitality of Italy's small enterprises or the Japanese genius for technological innovation. Nor can such cultural factors, together with national history, be reproduced elsewhere.

In the distant years of universal boom, economic theory and policies seemed to be responsible for everybody's success. Now, in the bad years, the limits of their effectiveness are clear.

This may explain why policies vary so greatly. Which will work better? Anglo-American monetarism accompanied by the containment of social expenditure? Or German reliance on unions' moderation? Or French Socialism based on the expansion of the public sector and a Keynesian disregard of inflation?

RESISTING INFLATION

1. West Germany
2. Switzerland
3. Austria
4. United States
5. France
6. Sweden
7. Britain
8. Italy

In GNP growth the eight nations rank (from fastest to slowest): Austria, France, America, Italy, Germany, Britain, Sweden, Switzerland. In employment growth, another indicator of success, the order changes again: America, Sweden, Italy, France, Austria, Britain, Germany, Switzerland. Is there a lesson to be drawn from a comparison between the three orders of performance?

Professor Schärpf's conclusion is that these results "throw serious doubts on the neo-Keynesian hope that higher rates of inflation would at least buy more economic growth, but they are equally disappointing for monetarists considering price stability as the necessary and sufficient condition for growth."

EMPLOYMENT GROWTH

1. United States
2. Sweden
3. Italy
4. France
5. Austria
6. Britain
7. West Germany
8. Switzerland

Amnesty urges inquiry into alleged abuses in US

By Our Foreign Staff

Amnesty International called on the United States yesterday to launch an independent investigation to find out whether alleged civil rights abuses by the Federal Bureau of Investigation might have been motivated by political considerations.

A report dealing particularly with cases involving a black militant and an American Indian, the London-based human rights organization said there were clear grounds for concern over the abuses, their motivation and whether they undermined the basis of fair trial.

The 144-page report alleges the production of false evidence, mistreatment, abuse of FBI action, harassment, infiltration of defence teams by informants and the failure to make available information which the defence might have used.

It says that much of Amnesty's international work is on behalf of people imprisoned for obviously political reasons.

This was not the case in the United States where it was often a matter of establishing whether the reason for prosecution on criminal charges may have been political.

The cases dealt with in detail by the report concerned Mr. Elmer Pratt, a leader of the Black Panther Party, and Mr. Richard Marshall, a member of the American Indian Movement, both of whom were convicted of murder after being selected by the FBI for intelligence action.

In the case of Mr. Pratt, the report says, it emerged long after his 1972 trial that he had been a target of the FBI's COINTELPRO programme which was aimed at disruption of target organizations. The FBI denied this as late as 1979, but

CORRECTION

The headline to a report from New York on September 25, "Jogging may damage your blood", was misleading. The item referred to research into substances known as Beta endorphins which are released into the body but which are not harmful to the blood.

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12,000 Polish women join strike for food

Warsaw, Oct 24 — About 12,000 women textile workers went on strike for more food today in Zyrardow, South of Warsaw, as the Government and the Solidarity independent trade union organization tried to agree on talks to defuse tensions.

The protest in Zyrardow is part of a strike wave which has brought stoppages and threats of stoppages in about a dozen regions, mainly in central Poland. The women, occupying their plants in rotation during normal shifts then returned home, drew up a list of 16 demands for the distribution of dwindling food stocks.

The Warsaw Solidarity news service said: "People have been queuing there for three to four days to get meat which is frequently foul". It said shops were selling rancid butter in Zyrardow yesterday and that there was not enough bread available.

The Government, faced with the threat of a token national strike later this month, has called for Solidarity and other trade unions to take part in joint crisis talks. Solidarity said it was ready for talks tomorrow but there was no immediate reply from the Government or from pro-Communist unions branches.

Solidarity said it wanted the Government and unions to form a non-political social council to control the economy in line with the programme decided by its national congress last week.

It also demanded access to television to present its point of view, and its national executive decided yesterday to seek a freeze on prices until the Government had coordinated an economic reform programme with the union.

The decision was taken at a meeting in Gdansk chaired by Mr Lech Walesa, the Solidarity leader, who entrusted the food talks to Mr Grzegorz Palka, a rising figure in the union, before he left today on a visit to France.

In Warsaw, the political tem-

perature rose as the Communist Party prepared for a plenary meeting of its central committee on Friday when the party will make a formal pronouncement on Solidarity's congress. Mr Stanislaw Kania, the party leader, said his policies of appeasement came under fire at a meeting of the largely hard-line Warsaw party committee.

"Most of the delegates voiced sharp criticism of the top party authorities, accusing them of excessive softness towards liberalism," the interpress news agency reported.

Paris: Mr Walesa arrived here today with nine colleagues for a week's visit as guests of France's five main labour groupings. His delegation will meet leaders of the five unions separately, visit members of France's large Polish community and have breakfast with M Pierre Mauroy, the Prime Minister.

There are no plans for a meeting with President François Mitterrand.

The delegation arrived at Orly Airport in mid-morning. Among French trade unionists there to meet it was M Georges Seguy, General Secretary of the General Labour Party's Politburo. This is Mr Walesa's fifth official trip abroad as leader of Solidarity.

Reuter: Moscow: Mr Kikhail Suslov, the Soviet Union's chief ideologist, accused the West today of encouraging counter-revolution in Poland and promised Polish Communists they could count on Moscow's firm support.

Mr Suslov, second in the Politburo to President Brezhnev, said imperialist circles were trying to weaken the unity of communist countries.

"For a long time imperialism has been trying secretly and openly to undermine the socialist structure in the Polish People's Republic, to exacerbate crisis phenomena there, to foster anti-socialist, counter-revolutionary forces and to spur them on to greater activity".

Portuguese robber linked with terrorists

From Our Correspondent Lisbon, Oct 14

A bank robber killed yesterday near Lisbon was identified by police today as a member of the Proletarian Revolutionary Party (PRP) whose leaders were arrested in 1978 after the killing of a policeman in a bank robbery in Oporto.

The two leaders, Isabel Do Carmo and Carlos Antunes, earlier this year started a short-lived hunger strike to obtain political status. They had been imprisoned with the man killed yesterday in several murders and robberies.

The police here believe that the dead man had joined the Popular Forces of April 25, who killed two members of the National Guard recently with a car bomb. So far, no one has claimed responsibility for yesterday's incident.

Yesterday's incident was the third time in 14 months that a bank on the outskirts of Lisbon had been robbed. As well as the robber a passer-by who tried to intervene was killed by a burst of machine gun fire.

Six men armed with light machine guns were involved in the robbery. After crashing their stolen vehicle they commandeered a taxi to take two of their wounded companions, who had been shot after a clash with a National Guard patrol, to hospital where one died and the other escaped. A large quantity of money and arms were recovered from the crashed vehicle.



The friendship link

Leading ladies arrive for dinner: Queen Sofia of Spain, left, with Mrs Nancy Reagan at the White House for a state dinner given by President Reagan in honour of King Juan Carlos. When the king and Mr Reagan met earlier for talks, the president pledged support for Spain's decision to seek membership of Nato. The two leaders also discussed United States access to military bases in Spain.

US favours renewed links with Bolivia

From Our Correspondent La Paz, Oct 14

Amid the dark skies and flooding rains known as springtime in Bolivia, one of the few bright spots for President Celso Torrello Villa is an easing in his country's strained relations with the United States, formerly a long-time friend.

A two-man State Department mission recently ended talks aimed at restoration of some ties. General Gordon Sumner, special adviser on Latin America to Mr Thomas Enders, Assistant Secretary of State for Latin American Affairs, and Mr Samuel Hart, director of the State Department Office of Andean Affairs, visited La Paz to assess the aims of the new Government.

General Torrello, who was sworn in on September 4, outlined his plans for fighting Bolivia's booming cocaine trade (in which top military officials are implicated), returning the country to democracy in three years, improving human rights and surmounting a national economic crisis.

Refinancing is needed of a \$3,900m (£2,100m) debt to the United States which is weighing heavily on Bolivia's central bank.

The American envoys called the discussions cordial, frank and constructive, and pledged America's wholehearted support for the regime if General Torrello's plans proved successful.

This cautious statement indicated that the Americans expected more than just promises of change. But General Sumner and Mr Hart

travelled, nevertheless, directly to Buenos Aires to talk with Argentine military leaders, who retain some say in Bolivian affairs. They did so, one American official in La Paz said privately, "to get the Argentines to go with Torrello".

Relations between Washington and La Paz have been poor since Washington withdrew its ambassador in La Paz, Mr Marvin Weissmann, days after the July, 1980, takeover by General Garcia Meza and have failed to improve due to the narcotics and human rights issues. Economic assistance programmes have all but dried up.

General Torrello, who underwent rapid promotion under General Garcia Meza, is not considered politically or militarily qualified to assume either of his current functions as President and co-Captain-General of the armed forces. But he has shown some willingness to listen to advisers with some vision and even to critics of the former regime, who hope to push him toward reconciliation and return to legality.

However, he has left in their positions of power the group of about 10 younger colonels and lieutenant-colonels who as troop commanders and paramilitary group leaders were General Garcia Meza's backbone of support.

It is this *sindicato* of younger officers who are also accused of deep and active involvement with the cocaine export trade.

Implanted insulin pump for diabetics

Munich, Oct 14 — A tiny insulin pump, implanted beneath the skin and controlled by a mini-computer, shows some promise of freeing certain diabetic patients from daily insulin injections. The first patient to receive the device was a nun, aged 52.

Dr Helmut Mehnert performed the operation in the Munich-Schwabing Municipal Hospital on August 5, implanting the pump beneath the right side of the collarbone and attaching it to a vein.

The biggest problem was to develop a pump that would not break down. That was done by Siemens, the West German company working with doctors in the research team. It took eight years.

The pump is the size of a pack of cigarettes and weighs six ounces when filled. It is implanted under local anaesthetic. The insulin flows constantly.

The insulin flow is regulated externally and can be varied according to the time of day, the dose being increased after meals, for example. The Munich pump is not the first device of this type.

The German pump differs from the others because it injects insulin directly into the bloodstream which in itself is not unique. But other direct-line pumps, functioning from outside the body, have had problems of inconvenience and infection. — AFP.

Professionalism creeps in

Politics of big battalions in Greek election

From Mario Mondiano, Athens, Oct 14

The state-owned Greek television has devoted 14 hours of its costly time to party political broadcasts in the past 10 days in preparation for Sunday's general election.

Television now plays a fairly important political role in Greece, but it has failed to displace the age-old tradition of outdoor election rallies. In fact, television is being used to show these mass gatherings to the rest of the nation in glorious colour.

Not surprisingly, professionalism has crept in, including crowd management techniques and special effects. Gone is the spontaneity that made these meetings, mass or otherwise, accurate pointers of election trends in a country where opinion polls are not taken seriously.

Party leaders have been addressing this month bigger and bigger rallies in the provincial towns, as party managers eager to display their one-upmanship move bus and shovels of supporters about to bolster the party's image on television.

Last weekend, for instance, Cretan supporters of the opposition socialist set up road-blocks in Heraklion to stop a stream of cheer leaders from elsewhere from swelling the ranks of a conservative rally addressed by Mr George Rallis, the Prime Minister.

They argued later that they could simply not tolerate that television should convey a false picture of local political feeling in this socialist stronghold.

When the socialists staged a colossal rally in Salonika for Mr Andreas Papandreu, their leader, that same weekend, political spies jotted down and later published the licence numbers of 680 buses which had brought in supporters from outside Salonika to this show of force.

This week, the campaign moved into Athens which was already stunned by the acoustic and visual onslaught from the blaring loudspeakers at campaign headquarters and the huge posters and party propaganda leaflets that litter the streets and squares.

In Constitution Square, the heart of Athens, floodlit to produce an almost daylight effect for the benefit of television that the two big parties, the ruling New Democracy and the opposition socialist of Pasok, will wind up the battle of impressions tomorrow and Friday night.

Hundreds of thousands are expected to turn up to hear the final speeches of their respective leaders, as the two parties try to outmanoeuvre each other in the hope of swaying the vast undecided vote.

The main thrust of New Democracy's campaign has been to assert that Mr Papandreu and his socialists are unreliable, if not plainly dangerous.

New Democracy claims that if Pasok comes to power it will alienate Greece from the West (to Turkey's advantage), confiscate much private property and finally impose a one-party system modelled on Eastern Europe.

Pasok accuses the ruling conservatives of telling blatant lies to scare away the voters because "they have run out of arguments now that the end is near." All right (change), a magic slogan which spans a wide range of spoken and unspoken promises, Pasok's battle-cry.

Voters who want to change sides are, however, put off by Mr Papandreu's bias for slogans instead of clear-cut explanations of Pasok's policy that would have belied the conservatives.

SOAP OPERA SNAG FOR DOCTORS

From Michael Leapman New York, Oct 14

Viewers learn so much about medicine from television serials set in hospitals — the so-called "carbolic soap operas" — that they have an increasing tendency to sue their doctors for malpractice. This is one of the findings of a study by the University of Pennsylvania published in the current *New England Journal of Medicine*.

The hospital series are screened in the daytime and are watched primarily by housewives. The study found that nearly half the characters on daytime television were involved in "health-related occurrences". This could easily be "the largest source of medical advice in the United States".

But all this talk tended to make people complacent about their health, the researchers found. It reinforced the stereotype of the doctor as being all-knowing and all-powerful.

MARRIAGE IS AGAIN IN FASHION

From Nicholas Hirst Washington, Oct 14

More Americans are getting married — and more divorced than ever before. But the absolute numbers — a record 2,413,000 marriages in 1980 and a record 1,182,000 divorces — disguise the trend.

Marriage, it appears, is getting more popular, divorce less so. When the divorce and marriage rates are compared the number of people per 1,000 population doing either — marriage is on the way up and divorce, possibly on its way down.

The popularity of marriage, according to provisional figures for 1980 from the National Centre for Health Statistics, rose by two per cent with 10 per 1,000 people making their vows, continuing a trend of increases since 1977. The divorce rate levelled off at 5.3 per cent per 1,000 after doubling between 1966 and 1976 and rising slowly in the next three years.

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A passionate apprenticeship

A Better Class of Person

An Autobiography 1929-1956

By John Osborne

(Faber, £7.95)

This passionate and aggressive self-portrait of the artist as dandy, guerrilla, malingering, society fox and family cad is the best thing John Osborne has written since *West of Suez* (1971). As a first volume of an autobiography, *A Better Class of Person* is composed, and triumphs, in the belief that life is more extravagant and extraordinary than art and reveals that, after all the spectacular self-exposure in plays like *Look Back in Anger*, *Unpleasant Events* and *A Sense of Detachment*, there was still a great deal more to say.

The smell in the room was strong and strange, and in his shroud he was unrecognisable. As I looked down at him she said "Of course, this room's got to be fumigated, you know that, don't you? Fumigated". Fumigated was how she pronounced it. With my father's body lying in the bedroom across the landing, I had been obliged to share my briefcase room with my mother, who spent hours upon hours reading last Sunday's *News of the World*, the bright light overhead, rustling the pages in my ear, and sighing heavily. For the first time I felt the fatality of hatred.

Nellie Beatrice Osborne, daughter of a master publican and cleaner at Woolworths' head office, herself cashier of a Lyons Corner House at sixteen and barmaid extraordinary — (she preferred "victualer's assistant") — in the later years of a long working life. Her son accuses her of stupidity, hypocrisy and indifference; he presents the end of her rambling letters — "always in my thoughts" — as something between a threat

and a curse, and when she is blown off the lavatory in an air-raid it is the best moment of the Second World War. *Schadenfreude* — unrestrained joy at the discomfort of others — was literally mother's milk on both sides of the family and was early passed on, for all his contempt of them, to little John.

As an exercise in filial impiety *A Better Class of Person* makes *Mommie Dearest* and *P.S. I Love You* look like tactical lobs to attract attention; this is not showbiz, it is the real, Atrean article, an *Orestia* played out in an endlessly changing series of rented accommodation and elementary schools, with the axe swinging mercilessly and free. True, gentle Thomas Godfrey, a tubercular copywriter who died when his son was twelve, was no Agamemnon but that slow death was the prime disaster of Osborne's life — apart, that is, from the bitter rage at having been born an Osborne in loveless and shuttered suburbia. At all. The injustice of it is almost perfect: the wrong people going hungry, the wrong people being loved, the wrong people dying! (*Look Back in Anger*). Twenty-five years later, the voice rings clear, the battle goes on. Almost any kind of passion is better than no passion at all: "Nothing ever strikes me with such despair and disbelief as the truly cold heart."

He himself, however, has pursued cold hearts with a thoroughness that might be dismissed as mere masochism were it not undertaken, like everything in this book, with the half-open eyelid of performance that makes him such an excellent, funny and moving autobiographer. That many a glacial sphinx hides no secret at all was a lesson learnt and discarded in childhood when he engaged Joan

Buffen, from the top end of the Parade, to play Maid Marion in *Nonchalant*. Park Miss Buffen declared, bottom-like, that she would play no part but Robin Hood, and being three years older than the rest of the gang, perforce did so. Who played Marion is not revealed, but Osborne assumed Sir Guy de Gisborne, a task already familiar to him when bigger and more naturally ingratiating male parts pressed claims to the lead. Sir Guy offered a course of some honour, for these were the high days of Basil Rathbone, when to be villainous was to be elegant, formidable, cunning and free.

It was, as he suggests, an ideal role for him, and he has been perfecting it as the mask for savage disappointment ever since. Nor was Buffen the last Osborne lady who wanted to play Robin. This first volume ends with the completion and acceptance of *Look Back in Anger* and so reaches only the first, and least known, of five marriages, to an actress on whose social background and to him, shattering taste for professional independence he drew for both hapless women in the play.

Sexual ambivalence winks like a naughty sideshow at the edge of all Osborne's work, the object of excitement (Max Miller), innuendo and tolerant affection — and the memoirs are no exception. Homosexuals are both envied for their innocence of the ice-cream and pitied for the consequently unexciting nature of their lives. As a boy he had only one chum of consequence — the anarchic and vividly drawn Mickey Wall, while, as an adolescent, Osborne's loneliness attracted a series of fairly gentlemanly advances which he was at pains to turn down. But between following the seduc-

tive advice of the fox in *Pinocchio* by taking up the actor's life and receiving George Devine on the barge he shared with the co-author of *Epitaph for George Dillon* eight years later, he seems to have had no close friends to steady an apprenticeship passed among harmless old queens, pretentious theatricals and even waiting for their victim, the monstrous regiment of Robins. The most splendid and devouring of these told her mother he was "common-camp".

The greatest pleasure of the book lies in the astonishing immediacy with which two entirely different worlds — boyhood in the late Thirties and early Forties, and touring theatre in its terminal years after the war — are remembered back to life. Anyone who has ever sized up the chances of survival in a school playground during the twenty minute morning break or perfected the art of simulated farting inside a lavatory will enjoy the almost painful precision with which the lost culture of Tizer, siren practice, and *Film Fun* is experienced again.

The long trail from *No Room at the Inn* via *Character Jive* at Kildermister and *Night Must Fall* in Hartley Wintney to playing Hamlet on Hayling Island revives a vanished Cummensian world of unjustified confidence and unrealistic expectations which nourished in Osborne a gut sympathy for the shabby-courageous and provided the first seedbed of elegy for the first two plays; the angelic passion, we notice from this book, came from elsewhere. "Well, he certainly was a lot into it," announced Nellie Beatrice robustly at the end of *Hamlet* after giving away at the start. "Poor kid," he said at the start. "Poor kid."

Michael Ratcliffe



Ripe old Plum

The 100th anniversary of the birth of Sir Pelham Grenville Wodehouse today is a cause of some celebration by all those men and women of taste and discernment who know a good thing when they see it. It is the 100th anniversary of the birth of the man who would call for his yellowest socks, his old green homburg and his whangee stick and go off to the park to do pastoral dances, when chaps would say at feeling pretty wotah cum spiff and when the butler's pantries in houses owned by the better element in the land would see the drinking of a certain amount of port.

The next best thing to Wodehouse himself are books packed with the juiciest extracts. Benny Green in *P.G. Wodehouse: A Literary Biography* (Pavilion/Michael Joseph, £8.95) scores well. He chronicles Wodehouse's life through his novels and letters, demonstrating the links between the world in which he lived and worked and the world he created. His schooling at Dulwich, first job as a bank clerk, his years at Dulwich, his work as a lyricist and time as a Hollywood scriptwriter all find their way into the 92 books (all listed and described in *A Wodehouse Companion* by Richard Osborne (Elm Tree, £12.50)). Many of the people he met, too, were inevitably to become his characters, although he claims that only one — Psmith — was based on a real person. Rupert D'Oyly Carte, of the Gilbert and Sullivan producer.

Psmith... is the only thing in my literary career which was handed to me on a plate with waterworks round it, thus enabling me to avoid the blood, sweat and tears inseparable from an author's life. Lord Emsworth, *Jeeves and the rest of my dramatical personae had to be built up from the ground, but Psmith came to me ready-made, he wrote in his nineties.*

Mr Green follows Wodehouse through his life, including the ghastly aftermath of his escape from Germany after he had been released from internment during the war, with wit and affection, and finally comes to the sticky point of trying to put up the Wodehouse achievement. He notes that Wodehouse has become the ideological battleground where right wing fanatics praise him with hysterical extravagance while left wing doctrinaires "positively froth

at the mouth with loathing for him."

He concludes, Wodehouse's critics, both for and against, having confused the social implications of his characters with the sober industry the creator himself brought to his work. "The price of paradoxes, which is that Wodehouse continued to build his towering monument to the office of *Wodehouse* by submitting himself all his life to a routine of grinding labour."

The Conservative MP, Iain Sproat, tried for years to persuade the Government to allow him to see the M15 dossier on the wartime broadcaster, and finally, in 1980, succeeded. It seems that it was held back partly because it contained another name, but Mr Sproat saw the dossier with the name blacked out. His conclusions, after considerable research in addition, are firmly that Wodehouse was absolutely innocent of the charges of treachery aimed at him immediately, and held against him for many years afterwards (Milner, £8.95).

Afterwards, Wodehouse deeply regretted what he had done, but remained bitter about the treatment meted out to him. "Of course I ought to have had the sense to see that it was a loony thing to do to use the German radio for even the most harmless stuff, but I was a loony, and a loony I am, says the intellect."

Osborne's *A Wodehouse Companion* shows that it was not sapped for long, and details the many volumes produced after the war up to the unfinished *Sunset at Blandings*, as well as the vast output before, beginning with *The Potters* in 1902. With its "nuggets" of quotations, and its brief portraits of "64 memorable people and a memorable pig," not to mention the friends and enemies of that time, it is a delight.

Herbert Warren Wind, distinguished American golf writer, became friendly with Wodehouse when preparing a profile for the *New Yorker* in 1969. His profile, now published for the first time here as *The World of P. G. Wodehouse* (Routledge, 95p) is a happy addition to the shelf of books on Wodehouse.

Christopher Warman

Behind the red flag

The Liberators

Inside the Soviet Army

By Victor Suvorov

(Hamish Hamilton, £7.95)

"What a thrilling sight the changing of the guard at the (Lenin's) Mausoleum! I've been to Red Square hundreds of times and I'm still lost in admiration at their accuracy and military bearing. I'm simply drawn there and could stand for hours feasting my eyes... The very cream of the cream, trained to the point of artistry, trained better than the Soviet gymnasts for the Olympic games."

This is written not by a naive western tourist, but by a man who spent most of his adult life inside the Soviet Army and that is why the description has a strong flavour of bitter irony. As a Soviet officer Victor Suvorov knows only too well what it is to be found behind this splendid facade: maddeningly senseless drill, stupefying political indoctrination, an enormous corruption and "pokazukha" (there is no equivalent word in English, "a peep-show" being just too weak to explain that grand-scale everyday theatre so typical of Soviet life in general). And for those who did not express sufficient enthusiasm, let alone disobey, there are savage punishments: cells, degrading treatment that even the Soviet prisoners would never tolerate. Indeed, as Suvorov remarks quite rightly:

In prison one finds people who have reacted, if only once, against the law, against the system, against the regime. In glasshouses, one finds only frightened soldiers mixed in with officer cadets. And cadets are people who voluntarily offer themselves as members of the social grouping totally deprived of all rights, junior Soviet Army officers. You can do what you like with them.

What happened with the once glorious Red Army, the pride of all "right"-minded people is the best indicator of decay of the communist system. Since the late 1930s, years ago only the most reliable and faithful comrades were accepted for the honourable service under the Red Banner. Even thirty years ago the schools were dreaming of red-starred tanks. Those who got drafted into the Army now are generally regarded as unlucky or insufficiently smart to dodge it. When 40 odd Soviet divisions were concentrated on the Polish borders for more than a year and yet another 85

thousand are at the very moment engaged in murdering the civilian population of Afghanistan, the inevitable questions come to mind of the western reader: what are they like, these numerous "liberators"? Will they always follow obediently the criminal orders of the Party bosses? Are they just robots unable to think at all? Or, perhaps, they are all communist fanatics? Paradoxically, nothing could be further from the truth. These 18-21 year old boys are just totally disillusioned, wretched creatures trapped between hammer and sickle.

Our sparse regiment was formed up along that broad forest clearing which represented the central road of our military prison camp... Then suddenly an escort arrived and deposited a fellow on there on front of the formation. He looked about twenty years old. From the very beginning, I was astonished by the fact that some strange reason, he was barefooted... He had a soldier's mess-tin in his left hand, and with his right hand he clasped to his breast some kind of parcel wrapped in cloth, which was apparently very dear to him. While the chief of staff completed reading the sentence, the executioner — a shortish, very thick-set major of the KGB in soft boots, slowly approached the deserted fellow, holding in his name of the Union... of Soviet Socialist... Republics... sentenced... to pay the supreme penalty."

Victor Suvorov was more lucky: he managed to carry his ideas away with his brains intact. And we also should consider ourselves lucky because for this reason we can read a brilliant book, saturated with black humour as much as the Soviet life itself. Being a born writer, Suvorov presents us with a real masterpiece, or rather a collection of short stories, sketches and portraits united by the main theme — the occupation of Czechoslovakia in 1968. But the significance of this work is far more wide than the events described in it.

After his escape to the West he was also sentenced to death in absentia.

They may execute the sentence by means of a car accident, a suicide, or a heart attack, etc. But first they have to find me! And, in the meantime, I am living out that last slice of my life. I am between the death sentence and its execution. It is the happiest time of my life.

Perhaps, the same should be said about those remaining behind.

Vladimir Bukovsky

The heaviest cross

Churchill and de Gaulle

By Francois Kersaudy

(Collins, £12.95)

"Perfidious!" General de Gaulle's father used to say, "the adjective hardly seems strong enough." Influenced by his father probably more than anyone else, this attitude of instinctive anglophobia — prevalent among the French of the two world wars — doesn't mould the young de Gaulle's thinking about this offshore island he had never, before the war, even visited.

Churchill on the other hand, after his first visit, at the age of nine, when he drove down the "Shams Elizée" he saw himself in good times and bad times as "a true friend of France. Against the evidence, he always believed in the French army. The unshakable glory of France was his obsession."

Churchill loved to speak French and spoke it as every patriotic Englishman should. "I am in a perfect French, on one occasion," he exploded on his first visit to the island. "I am a prisoner, soon you'll send me to the Isle of Man!" he protested another time. "No, General," replied Churchill gallantly, "pour vous, très distingué, toujours la Tower of London." De Gaulle did not care to speak or write English, though he understood it, causing Churchill to declare, but evidently seriously: "Now that the General speaks English so well, he understands my French perfectly."

Though Churchill later denied

ever saying that of all the leaders he had to fear, the heaviest cross was the Cross of Lorraine, he felt sorry he did not say it, because it was quite witty and so true.

The story of the relationship between these two giants of history is, so to speak, known to us with a certain aloof, difficult General V. the passionate, irascible Statesman. But in this extraordinarily illuminating account of the war years, seen through the two leaders' personal relations, the story comes alive again. It is moving, funny, sad, heroic by turns. It is a great story and rises above the petty politics of our day as the protagonists rose above their contemporaries.

It is also a very scholarly account that draws on many new sources. Both men could be grossly unfair at times of stress, of which there were many. For instance, the whole night before the Normandy landings was spent in feverish diplomatic activity in London over whether and in what terms de Gaulle would broadcast to the French people. While Churchill's memoirs show he always supported de Gaulle, in reality he was driven in exasperation to try to get rid of him on three occasions. "I am a British public opinion," de Gaulle's suspicions meant that 90 per cent of his comments on the British role in the Middle East were badly inaccurate. That each man in the end grew to respect, admire and feel profound affection for the other gives their story a noble ending.

David Spanier

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Margaret Forster, Books and Bookmen

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Max Hastings, *The Standard*

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Melvin Bragg, *Punch*

Hodder & Stoughton £6.95

Crime

Twice Shy

By Dick Francis

(Michael Joseph, £6.95)

Here, I think, is a yet better book by Dick Francis. This is a claim that might be challenged, on two grounds. First, that the Francis has seen almost all the ways to achieve the same high level, well plotted, clearly told, brilliantly timed, gripping through their simple humanity. And, second, because this particular example might appear, in fact, to be less well plotted than any of its predecessors. It seems to be, at first reading, two books stuck together with a dubious layer of superglue, the stories of two aged-separate rescue from kidnap, the bullet in the chest, have been allowed to seethe and the pattern becomes clear, it is evident that the two stories are concave and convex forming a whole circle. The older brother's tale shows a man moving from self-imposed limitedness to a properly full life; the younger's tale shows a move from the freebooter to the responsible. While the plots, correspondingly, show bad coming out of good as the first brother triumphs, and good out of bad as the second all but succumbs to brute evil.

But this is not my reason for feeling that here is Francis's best book yet. That lies in something I do not think has appeared in earlier stories, though it has been there hidden perhaps and muffled: a fundamental seriousness. It manifests itself now in such small instances as a telling quotation from the Bible, or in a phrasing phrase such as "anchoring the ageless mind

into the old, old body" or, in the typical Francis setting of a Newmarket Heath dawn with the horses plunging breath, as "cold transformed to heat within the miracle of bodies". Tiny things. But they are eternal bedrock revealed when in a strong sea the troughs go deepest.

Hand of Fate, by Michael Underwood (Macmillan, £5.95). Underwood is a Trolooper, strong in story (Tycoon poet medieval), funny and moving autobiographer. That many a glacial sphinx hides no secret at all was a lesson learnt and discarded in childhood when he engaged Joan

The Secret Whispers, by Ted Albright (Granada, £6.95). What the Intelligence world is like, in 1944, in 1961. Story of a turned German agent, later a D.R. Minister, ringing vividly true.

Shard, Torture, by Robert Sheard (Collins, £6.25). Murder among the surrogate Sitwells (Hyped up and sexed up). An entertainment that is delightfully easy to read.

Rostnikov's Corpse, by Stuart M. Kaminsky (Macmillan, £5.95). A Moscow detective lives, his city convincingly drawn without overloading detail (Gorki Park, please note). Another system reported on without rancour. Live again, Rostnikov.

The Shining Day, by Frank Ross (Macmillan, £6.95). Accept initial whopper and here an extraordinarily realistic story of a 1940 spy in Britain, sprinkled with sex like an Italian waiter's peppermill.

Bejewelled Death, by Marian Beeson (Collins, £6.25). Nice young American girl visits London toting jewelled hat-box and predestination reigns till happy-ending time. A popcorn-light pleasure.

The Manuscript Murders, by Roy Harley Lewis (Hale, £5.95). Treasure hunt tale. Spiffing prize: Dark Lady's diary, complete with supposed extracts (Shakespeare a cunning byword). Story's a bit fits-and-starts though.

H. R. F. Keating

Galloping Trots

The Far Left

By Blake Baker

(Weidenfeld & Nicolson, £5.95)

On the whole, I subscribe to the cock-up rather than the conspiracy view of history. Conspiracies of course abound, especially on the wider shores of political life, but at least until recently they do not seem to have achieved very much in modern British politics.

Blake Baker's interesting and entertaining book is a very useful guide to the topography of the Far Left. It does not seem to have achieved very much in modern British politics. Blake Baker's interesting and entertaining book is a very useful guide to the topography of the Far Left. It does not seem to have achieved very much in modern British politics.

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Chris Patten

Fiction

Beyond the Pale

By William Trevor

(Bodley Head, £6.95)

The Cupboard

By Rose Tremain

(Macdonald, £6.95)

The Mosquito Coast

By Paul Theroux

(Hamish Hamilton, £7.95)

The characters in William Trevor's are alarmingly normal at first sight: middle Major and elderly women who dawdle through their days in tea-rooms or at tables of bridge, surrounded by bric-a-brac. As he occupies their quietly eccentric become icons. Real storms rage in their tea-cups. Getting under the scabs of habit, formed by people trying not to be lonely, he crosses the sensible pale they have created so as not to see the "bleak untouchables" beyond. Stalked by the past, they emerge as characters touched with madness: the mercy of their own imaginations and others' stage-whispered gossip. What was seen in the woodshed when young, infects the present. Love lingers long after it has fractured; so does the memory of someone's death.

Beyond the Pale confirms Trevor's position as one of the great short-story

writers in the language. Few others can expose, with the same wit and sympathy, the unwritten rules that govern people's behaviour.

Mulvihill's Memorial, in particular, shows him at his best. Mulvihill, an unassuming designer of seed-packets — and amateur photographer — dies leaving in his cabinet a surprising legacy of blueprints. These are printed by a senior executive to entertain Bloody Smithson, an important client with whose daughter he has often pleased himself on the office floor. "Great God Almighty!" storms Bloome Smithson when an untitled film shows both in action.

To those, like Trevor, "who believe that love and compassion are born of tears I say not they are born of fire." So utters Erica March from her small London flat. At 87, the heroine of Rose Tremain's third novel, *The Cupboard*, is no victim of the past. Over wine and biscuits, buoyant in the face of grief, she resurrects her life for Ralph Pears, an American journalist anxious to restore her reputation as a novelist. In return, she wants him to bury her with mince in the blue that has never changed — her cupboard.

In a remarkable trip down Memory Lane, Erica takes Ralph to various parts of the world, in company as indelibly drawn as her fictional creations: her uncle, a homosexual playwright with dyed yellow hair; her great love, Gérard, a French painter who disappears in the Spanish Civil War; and Bernard, the

corduroyed companion of her later years.

Rose Tremain's characters inevitably need a confessor. The only flaw in this deeply evocative book, a book brimming with life, is Ralph's little narrative, however, the energy of this biblical pastiche is often grating. Fox perishes all too slowly.

Not even in fiction, it seems, can David Niven escape his Hollywood stomp. His second novel, *Go Slowly, Come Back Quickly*, (Hamish Hamilton, £6.50), follows the adventures of Stani, an all-American-Pole and Pandora, an Earl's daughter who wants to be an actress. They fall in love in the London blitz. He becomes a war hero and, sure enough, on their return to America, she becomes a star.

Unfortunately, David Niven has more serious intentions. One loses sight of both heroes and plot in his concern to show the feuds and the face-cream of stardom. Next time, for all their liveliness, he would be advised not to put his characters on the stage.

central character. It bursts with inventiveness. At times the richness of Paul Theroux's imagery and the precision of his structure have the miraculous effect of an Allie Fox machine. With so little nourishment, however, the energy of this biblical pastiche is often grating. Fox perishes all too slowly.

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Nicholas Shakespeare

In The Times next week Anthony Quinton will review the memoirs of Sir Geoffrey Keynes, and Geoffrey Moorehouse will review Jonathan Raban's *American Travels*. In the T.L.S. tomorrow A. J. P. Taylor, Arthur Marshall, and other Eric, Beans, and Crumps will reminisce about Wodehouse.

DICK FRANCIS

'The man's a genius. That's all there is to say.'

Literary Review

HIS NEW THRILLER

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THE ARTS

Television

Roman
revels

But how could you possibly know that? enquired Rodrigo Borgia the run-up to the Papal election. These Cardeinal wheespered set to a woman beneath these sheets" came the reply. Knowing looks: The Borgias (BBC 2) is set in Renaissance Italy and you know what we mean are.

Much of the first episode was at pains to expound the transferable voting system whereby "The Catalan Bull" Peter's shoes against all odds, taking the title Alexander VI. Adolfo Celi made them sound a delicious pair of silk pumps he had seen on the Via Condotti that morning: "I am Pope!" he cried when the final result came through, running across the Sistine Chapel and raising his fat, stubby fingers into the air like Mussolini rehearsing the March on Rome. "We are the Vescar of Christ!"

Celi has spirit and style and a quite funny way of going hoarse as the possibilities for further corruption move into the back of Rodrigo's nasty mind, but his English is very distracting, and, apart from Antonio Banderas (Cesare Borgia), who smirks interestingly on the edge of subversion, the rest of the villains are dull with, so far, two-dimensional playing to match them: Oliver Cotton makes Cesare Borgia a rather bland figure, whilst Lucresia (Anne Louise Lambert) is merely pretty and fearful with a slightly implausible flair for politics. John Prebble and Ken Taylor's script is stuffed with cabochons of Shakespearean speech ("Upon the matter of France...") Let it thrive upon denial!" etc) but devotees of *The Court Jester*, the vessel with the poodle and the brew that is true, were richly remembered when Cesare advised one of his henchmen: "Don't trouble with the rabble in the fields". Don't quibble, Prebble.

The only context in which *The Borgias* might usefully be compared to *Brideshead* is that of the sales office and weekly ratings chart, and there it may do well. For what it shows every sign of being, on the evidence of one episode and a 45-minute compilation of scenes from four more, is a hearty Hollywood entertainment from the long forgotten days of *King Richard* and *Crusaders*, with superb historical accuracy and finer production, designed for easy packaging, videoing, dubbing and transmission in every corner of the globe.

Michael Ratcliffe

Light

Palais des Congrès,
Paris

Maurice Béjart and the Ballet of the Twentieth Century are in Paris for a double-headed season. This week and next they are at the modern Palais des Congrès, by the air terminal at Porte Maillot, with two of Béjart's spectaculars; then they move into the Théâtre des Champs-Élysées for a week under the auspices of the annual International Dance Festival with a programme of shorter works including two to music by Boulez.

One of the works being given at the Palais des Congrès is Béjart's latest creation, *Light*, which I saw at the Cirque Royal just before they left Brussels. He has given it an English title because of the attractive ambiguity he finds in the English word, able to mean the opposite of heavy or of darkness; just the sort of idea to set his imagination racing. Rubbing together contrasted or even contradictory elements is a favourite device of Béjart's in constructing the content of his ballets. In this instance it extends to the music and design of the work as well as the choreography. What began as the concept of a ballet based entirely on Vivaldi has been varied to include the recordings of two rock groups from San Francisco, The Residents and Tuxedo Moon, also the sound of aircraft overhead and the sea breaking on a shore. That apparently arbitrary mixture arose, it seems, from a visit to Vivaldi's native city of Venice and the sudden memory of another city by the sea, half a world away.

Far-fetched that may be, but as Dr Johnson pointed out in a different context, what matters with such concepts is whether they are worth the fetching. This one enables Béjart to mix past and present, carnival scenes and abstract patterns, philosophy and comedy into one varied whole. I hope that anyone could actually follow his train of thought unless they had first read his characteristically erudite and persuasive programme note, but it provides the occasion for a series of striking theatrical moments.

Also, and this is what really matters, for a display of fine dancing. You would go a long way to find a ballet company that can out-dance this one. Béjart has long been the envy of other choreographers for the quality and quantity of the male dancers at his disposal; a happy state which he once explained with the remark "You have to grow them, like a gardener."

Theatre

Shakespeare's Rome

Mermaid

"Two for the price of one can't be bad," says Sir Bernard Miles at the end of a programme note explaining the higher purposes behind his and Roy Pemberton's carving of *Julius Caesar* and *Antony and Cleopatra*. To which one can only reply, Yes it can if you end up without having seen either of them.

Shakespeare's Roman plays do not fall into any neat sequence, but there is an obvious appeal in grouping these two together to show the further adventures of Antony and Octavius. I suspect that the Mermaid also hoped to lure in the grand design from the "ruthless cut and thrust of power politics". But the only design that emerges from the ruthless cut and thrust of Sir Bernard and Julius Gollner's text is the impulse to speed up the action, keep in the famous bits, and economize on the size of company.

There are expressive departures from the standard order of scenes. The directors have a fondness for scenic parallels — interweaving Caesar's first conversation with Antony with simultaneous dialogue between Brutus and Cassius. Also there are moments when they do have the courage to slow things down — as in a finely staged assassination with each conspirator delivering a measured blow into the body of Morgan Sheppard's outraged Caesar, who has time to observe every face before patrolling the field of Philippi to take his leisurely revenge.

Steafel Solo

King's Head

When England had a music hall, it had stars like Sheila Steafel. Without a music hall it has Miss Steafel and very few places to find her. There is from time to time, the Players' Theatre, where she drinks the loyal toast to Queen Victoria and resurrects the most seductive of the Victorian songs. She silently floated through Dick Vosburgh's litigious *Night in the Ukraine* doing great credit to the memory of Harpo Marx but little to prove her vocal flexibility. *Steafel Solo* is a marvellous opportunity to relish the wicked subtleties of her talent, to see her sing and appreciate her mimicry. At times the patter between her numbers is so offhand as



Morgan Sheppard's outraged Caesar (left); Timothy Dalton's overblown Antony

Otherwise the action is apt to whizz by leaving you vaguely conscious of a schoolmasterly Brutus (Gilbert Wynne), a briskly nondescript Cassius (Colin Bennett), and a mobbed funeral scene attended only by a line-up of the conspirators who amazingly let Antony get on with it before taking flight from the mutinous roars over the stereo system.

As we advance into the second play, it becomes clear that the only thing that could hold the programme together would be a heroic-scale Antony. This thought is evidently shared by Timothy Dalton, who does everything in his power to enlarge himself in the role — from his space-filling gestures and straddling gait to pushing his

delivery to the limit. The result, alas, is still light weight, and it deprives this sensitive actor of his best equipment. The performance is monotonous and undetailed: a fiery opportunist in the first play then an over-the-top volitional who goes through the entire second play in a dressing gown (exactly measuring up to Octavius's most contemptuous descriptions).

There is, however, a brilliantly arresting Cleopatra from Carmen Du Sautoy, who not only combines sexual fun and violence with regal dignity, but succeeds in taking you entirely by surprise with every shift in mood.

Irving Wardle

to be split all over the place, but each number is finely calculated to raise laughter and even, occasionally, to twist some sharp ironies into the racial disharmonies of Britain and her native South Africa. The distinctive qualities of her talent are deepened by critical and intelligent forays into satire.

"Send in the clones," she sings. When she briefly returns to her great success as Harpo with a moment of clownish mime she calls it her "party piece". "I do when I'm pined at parties." Among her targets are American comedians as they might obscenely present themselves at the Comic Strip, comedians at northern clubs as they might bumble flatly through songs and horrible routines, and the gruesome obsessions of Victorian song-writers.

Ned Chaillet

Dance

Why other choreographers envy Béjart



Symbol of Light: Morishita lifted by Donn

The prize bloom in his choreographic garden is Jorge Donn, a dancer of overwhelming strength, authority and dramatic sincerity. In *Light* he plays the embodiment of simple humility who, after temporary transformations into St Francis and (in an episode of wild fantasy) even into an American pioneer woman, finally becomes transfigured into a symbol of white light, reconciling all colours within itself.

For so big a man, Donn brings an unexpected delicacy as well as power to his solos and to the convolutions and involved supports of his duets. Yann Le Gac provides a sharper quality of movement for the foppish character who is Donn's opposite, and Patrice Tournon, in probably the best performance I have ever seen from him, gives a melancholy poetry, spiced with some wit, to the character representing Vivaldi himself.

Both those men dance splendidly, as also do the brothers Christian and Guy Poggioli in their virtuosic entries, and the group of seven (one for each colour of the rainbow) who burst exultantly onto the stage to celebrate the birth of *Light*. Besides those big episodes, there is much for the men to do in the ensembles all through the ballet, and you must remember that the Twentieth Century Ballet is probably the only classical dance company where the men actually outnumber the women (34 to 27 in the cast of *Light*).

On the other hand, the women cannot complain of neglect in the choreography or drama of this work. Katalin Csorpos and Martine Detournay both have fine solos, and Kyra Kharkevitch is the embodiment of the Venetian spirit, whether wearing a superbly ornate dress (taken straight from a painting by Longhi) or stripped down to body-tights with only her white wig for identification.

Shonach Mirk, whose ability to give expressive depth to her dancing grows more overwhelming all the time, is the mother-figure upon whose appearance, at the ballet's beginning, Jorge Donn's later entrance as a woman is based. Mirk has a spot of transsexual rhumba half-skirt over blue jeans with pink stripes down the seams, and on her shoulders a huge contrivance surrounding her head with a sun-burst.

That apparition audibly startled the first-night audience, and her more straightforward solos roused them to an understandable frenzy of applause. Even so, Mirk takes second place in the scheme of the work to a guest dancer, Yoko Morishita.

Morishita is hardly known in Britain, except for her splendid Kiri in Nureyev's *Don Quixote* and once or twice as a guest dancer. She has not really done her justice. Elsewhere in Europe, how-

ever, and with American Ballet Theatre, she has been in constant demand. Ever since she won the gold medal in the international dance competition at Varna in 1974. Yet *Light* is the first time anyone has created a ballet for her and around her.

She makes her appearance fairly late in the first half, "born" by being carried between the legs of Mirk, who hangs from a double-legged high ladder for the birth pangs. Thereafter, Morishita, becomes the symbol of light, the focus of the action. Donn, starting literally at her feet, where he prostrates himself in humble adoration, has the first big duet with her, during which she is lifted, carried, twisted or held in a great many shapes that are far from the classical elegance of her usual repertoire, but always radiant with their own strange beauty.

Nuno Corte-Real's costumes provide attractive variants upon conventional tights and leotards, besides introducing specific dress for some characters, as contrast, except for some projections of Venetian scenes (or, more accurately, famous paintings of them) to set the location initially, the stage is bare other than several platforms on either side, at varying heights and trimmed with rows of old-fashioned footlights, but the dancing prevents any feeling of monotony.

John Percival

Less fun
to watch

Charles Moulton

Riverside

An American dancer, making his British debut, opened the Riverside spoke of the Dance Umbrella season on Tuesday. Charles Moulton and his small company are to appear also in Glasgow, Manchester, Bristol, Brighton and East Grinstead, but presumably without the team of local volunteers who performed the last and most applauded work on his London programme, *Nine Person Precision Ball Passing*.

That is, except for some-what limited precision, exactly what the title says. A phalanx, three by three, the front row kneeling, the back row raised on a platform, pass tennis balls, dyed light green, from one to another; quickly, sometimes in complex patterns. It may be fun to do, as a spectator sport, give me noughts and crosses.

The latest work, *Expanded Ball Passing*, has the three-person company of dancers (Barbara Allen, Beatrice Bogorad and Moulton) up to similar capers, but with more agility, executed while they move about the stage. *Thought Movement Motor* is a trio that keeps starting over again in different rhythms. In *Motor Fantasy*, Moulton wears taps on his sneakers while Allen smooches around him.

The movement includes, in both *Motor* numbers, some falls into each other's arms that make effective repetition. Apart from that, repeated flicking of the head looks gimmicky; while gentle spins and sporty movements, assumed nonchalance and carefully contrived leverages into angled poses, never build real physical excitement. Moulton has found a line of his own, but it gives little sign of leading anywhere.

The group also includes a musician, A. Leroy, who wrote all the scores and plays all but one, got up like a Norman Rockwell character. His short phrases, as executed on several instruments producing assorted squelchy noises.

John Percival

Concerts

Too firm a grip

LPO/Solti

Festival Hall

If anyone can be relied upon to cut through Mendelssohn's Scotch mist it is Sir Georg Solti. In his first concert with the London Philharmonic this season he swept away every trace of dust from the Victorian acquaintances of the land of mountain and flood in his Symphony No 3 (Scottish), brightening their perspectives.

Even the slow movement's song without words was never allowed to slide into a salon gentility: the virility with which the cellos took up the tune epitomized a core of strength running through the work. Even with the breaks between movements, which Mendelssohn would have disliked, the focus was never lost: our attention was held every minute, delighted by the bustling sprung energy of the second movement, on Tuesday a piper on a pogo stick, and alerted by the meticulously observed double-dotting of the finale. This, with the addition of an extra

Capricorn/Pay

Purcell Room

Normally I am against the public performance of works left incomplete: it seems unfair to the composer. But Schoenberg's *Erzählung*, heard on Tuesday from the Capricorn Ensemble, was so fascinating as to constitute an exception. It was written in 1905, between his String Quartet No 1 and Chamber Symphony No 1 and was prompted by a darkly atmospheric poem by Richard Delmel.

But Schoenberg, especially during that period, usually composed quickly, in the heat of inspiration, and this time inspiration was not sustained. The 130 bars we have are full of reminders of other works of his from that time yet are of great interest in themselves, and of characteristic emotional intensity. The piece is for two each of woodwind and strings with piano, and the performance was a good one. It was certainly disturbing, though, to experience such music being cut off in full flood.

Met, the title of a piece for solo flute by Fukushima, means "dark", "pallid", or "intangible". Despite a capable interpretation by Philippa Davies, I would choose

the second of these as being most apt, especially on hearing it after the Schoenberg. Yet it remains a quite interesting adaptation of *sha kuhachi* and *fu* techniques to a western instrument.

Barry Cunyngnam's *Basho* was a setting of seven haiku by the Japanese seventeenth-century poet of that name, and this, conducted by Antony Pay, received its world premiere. The composer is an Australian once involved with jazz, and his music is often discontinuous while being full of violent gestulations. One felt that some of the poet's images, such as "Locust Shri!l" and "Heron Screaming" were responded to in a rather obviously programmatic way. But other moments had considerable sensuous beauty and there were adventurous textures that included unusual deployments of the trombone and inventive writing for percussion. The singer, Jane Manning, was in less good voice than in former times.

Six Turkish Folk Poems, composed by Theo Loevendief in 1977, had their first British hearing. These texts are far from the literary concisness of haiku, and the music is sometimes gentle, sometimes of a lively angularity.

Max Harrison

Warsaw Autumn Festival

A strange and subtle
Russian presence

Quite as important as the concerts that took place at the Warsaw Autumn this year were those that did not. Two of the festival's more impressive catches, big new works by Morton Feldman and Vinko Globokar, had to be dropped at short notice, and there were other cancellations of as much political as artistic moment. The principal contribution from the German Democratic Republic, a visit by the Hanns Eisler New Music Group, was called off by telegram 24 hours before the ensemble's first concert.

Russian behaviour was more subtle. First they withdrew entirely from the proceedings by cancelling the promised appearance of the Georgian State Symphony Orchestra with a lively programme including music by two of the most outstanding Soviet composers, Alfred Schnittke and Valentin Silvestrov, as well as a symphony by the Georgian nationalist Giga Kancheli. Then they proposed as replacement a concert of the blandest mediocrity to be given by a chamber orchestra from the Moscow Conservatory, conducted by Mikhail Terian. The Poles duly returned the slight by placing this event in the chamber hall of the National Philharmonic, instead of in the main auditorium where all the other orchestral concerts happened.

This Russian presence in Warsaw was greeted by the strangest atmosphere I have ever encountered in the concert hall. The first item was a very meagre sinfonietta by Miaszkovsky, the second a double-bass concerto by Tatyana Sergeyeva that flaunted a weak soloist and even weaker ideas. Both works were received with loud, implacable applause from perhaps 40 or 50 seats, and with silence or a trickle of clapping from the rest. I was not alone in escaping at the interval to catch the first Polish production of Britten's *Rzeka krzyczacych piakow*, or *Curlew River*.

This presentation by the Poznan opera was deeply considered and intensely communicated. With the voice of a collector around a grand nineteenth-century essay in Italian Baroque, the church of All Saints on Grzybowska Square, and with the Slavonic language linking the work as much to Orthodox chant as to the Gregorian, one might have been present at some Easter liturgy, a celebration of the Resurrection in parable.

The sense of awe and even reverence was magnified by Malgorzata Dziewulska's production, which kept the mix of monkish habit and Nob mask in the costume but departed from Colin Graham's original staging in constantly using the whole body of the church. This was especially effective just before the climax, when the centre of activity was thrown from the high altar, where stood the Madwoman and the Ferryman. Unfortunately, though, there was no boy to make a magical intervention at this point, and the treble solo was sung instead by an unseen woman. Nor did the little acolytes sing, so that the choral hymns took on a uniform, sombre tone.

But, if there are no Polish boys who can sing, there is certainly no similar lack among Bulgarian girls. The appearance of the 32-strong female chorus from the music

teachers' institute at Plovdiv brought a welcome lift after a not very stimulating week of concerts: they looked so good that they hardly needed to sing, and they performed with such precision and enjoyment that it hardly mattered what they sang. Nothing unsettled them, not the racing canon in irregular metre by Nikolai Stoikov's *Humoresque*, nor the complex layerings, requiring two conductors, of Stefan Dragosinov's *Polytempi No 3*.

Let one think, however, that eastern Europeans have an innate gift for intricate rhythms, the Budapest Symphony Orchestra proved what a shambles even natives can make of Bartok's Music for Strings, Percussion and Celesta. I had been looking forward to this performance, not least as an oasis of familiarity in ten days packed with premieres, and it was cruelly disappointing to hear the strings phrasing the opening fugue so plainly and the whole orchestra on the edge of collapse when negotiating some of the trickier corners in the finale. Given their inadequacies here, I am not prepared yet to accept that Andras Szollosy's *Transfigurazioni* is necessarily so mild, or Arilla Bozay's *Pezzi sinfonici No 2* so blaringly monumental a piece of pulsing.

A very much more alert and interesting ensemble from abroad was the Gruppo Oroburos, who arrived from Florence with their version of Beckett's *Happy Days* under the title *Winnie, dello sguardo*. Not so much a performance as an investigative dissection of the play, this was panic stretched out into cold, slow numbness, the wild extravagance of Gabriella Bartolomei's Winnie penned in by the cubic captenry of the set, examined by two gentlemen in Magritte overcoats and bowlers who extrapolated into Sylvano Bussotti's tense, imaginative score for flute and cello, two instruments aptly chosen to catch the whistling breath and the cross of Miss Bartolomei's performance.

But this year more than ever, and not only because of the cancellations, the overwhelming emphasis of the festival was on Polish music. I had hoped to find a flood of new ideas in Poland at this time of change, but in fact the mood of Polish composers, like that in the country generally, is one of stalemate and indecision. Recent works by Penderecki and Lutoslawski, on which I reported earlier, had some more positive qualities, but Lutoslawski's latest piece, a short *Grave* for cello and piano, turned out to be a bitter conversation of self-communing elegy, and younger Polish composers appear capable of nothing more than pacing already well-worn floors.

There were a fair few dismal string quartets, there were some big choral pieces that passed the time pleasantly enough, and there were the penny dreadfuls like *Ryszard Szeremata's* explosion of jazz and banality in his *Advocatus diaboli* (strange how young composers in central Europe still feel they have to deal with jazz). But even an exceptionally well prepared concert of works by student composers failed to come up with anything resembling sustained musical thought. No spring this year at the Warsaw Autumn.

Paul Griffiths

Meryl Streep **Jeremy Irons**

She was lost from the moment she saw him.

The French Lieutenant's Woman

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What Tebbit should tell the Tories today

All your deep anxieties have emerged in the debate on unemployment. But the questions raised go even further, which is why, although I am new to this job, I will try to reply with a full and honest answer. I have to tell you not only the significance of today's figures, but what the position is likely to be by the time of the next election and beyond.

It is not primarily a matter of the total unemployed, grave though the seasonally adjusted figure of just under three million is. Although we cannot predict the trend, we are now aware that the recession — worsened by higher interest rates — will not lift until well into next year, and I expect when I next address you to speak of a figure of about three and a half million.

Long before we came to power, unemployment was becoming concentrated into particular regions, among the less skilled and unskilled, among minority groups, and above all among the young. Sadly, these trends have accelerated.

Unemployment is heaviest in the metal industries, textiles and construction, and nearly as bad in engineering. It is concentrated in those regions hit hardest in the inter-war years, reaching 15.1 per cent in Northern Ireland. A measure of improvement will occur when the recession ends — but my Treasury colleagues cannot give me a precise date for that.

But it is the second or social aspect that I must deal with today. Women's work was really the first area to suffer in the late 1970s, and many women have now left the register at home. This explains why 14.3 per cent of men are now out of work against 8.7 per cent women.

That is no reason for us to be pleased; given trade union attitudes and the coming technical revolution in office work, it is most unlikely that women will be able to find enough jobs, suited to their skills, for another generation.

Then there are the ethnic minorities. It is true that unemployment among them rose no faster in 1980-81 (4.2 per cent) up than among the whole population.

*All statistics given here are taken from the Department of Employment's Labour Market Data.



Keith Middlemas, an adviser to James Prior at the Department of Employment, writes the speech he would like Mr Prior's successor, Norman Tebbit (left) to deliver in today's unemployment debate at the Conservative Party conference at Blackpool

—but it started from a much higher base — probably 50 per cent higher. Among those of West Indian origin, it may have been twice as high.

The most inflammatory problem, however, is that unemployment is now a permanent nightmare for the unskilled and the young. Although the last year has put more craftsmen and professional workers out of a job, these can hope to get back in an industrial recovery. But manual labourers and the unskilled form 57.8 per cent of the total out of work, and they are the ones who will be least able to find jobs in the new economic conditions of the mid-1980s because employers appear finally to have abandoned the habitual over-manning of the postwar period. We are set for a sort of survival of the most skilled — an industrial Darwinism which, in other ways, as Tories we should welcome.

Of those unemployed in July, 41 per cent were under 24 (slightly fewer than a year ago, but only because more are staying at school, college, on Youth Opportunities, and other special schemes. If these did not exist, there would actually be 320,000 more on the register). Those aged between 25 and 34 accounted for 21.1 per cent. Thus almost two thirds of our unemployed come from what ought to be the most flexible, mobile, creative section of our people.

What is the price? The new Pale between those in and those out of work is no longer the old

1930s division between North and South; not between black and white, or even between women and men.

It is between those who are skilled, educated and protected by powerful unions and secure industries or services on the one hand, and the less educated or skilled, particularly among minorities, who cannot even break into the Pale, or who find only temporary, inadequate employment.

These new outsiders will not share in our consumer-oriented society. In 1977 the dole was 51 per cent of average salary. It is now only 40 per cent and may well drop further in the next round of cuts.

It is not wholly our fault. Most West European countries are experiencing similar trends, but from a less serious starting point. Whatever we think about President Mitterrand's experiment, it seems that West Germany and France will emerge from the recession long before we do. And when there are parallels, with Italian youth and migrants, the omens portend violence.

Some of our unemployment arises from the world recession (though less than we claimed, mistakenly, last year). Substantially more is due to the change in employers' attitudes, encouraged by our policies, which are even seeping through into the nationalized industries and government bureaucracy. Aided by technological change, this revolution is likely to be perma-

nent. Overmanning will not return. But before congratulating ourselves, we have to admit that probably one quarter of the three million is directly attributable to government deflation — a policy which Mrs Thatcher has made clear to you she will not change.

Can we then do anything? Let us be realistic. Remember what everyone, particularly trade unions, forgot in the palmy days of the 1950s and 1960s: that at the end of the Second World War Beveridge, Bevin and Woolton all declared that, in a country with a powerful trade union movement whose workers set their sights on the money wage, full employment carried with it the danger of inflation. After 30 years, that long-suppressed antithesis between inflation and full employment is out in the open.

Anyway, as ministers, we know we could not restore full employment if we tried. We understand too well the limits of government power, the extent of economic rigidities and leakages, and the consequences for exchange rates and the balance of payments. Even the TUC's extravagant and inflationary £6,000 proposal could not create more than 500,000 jobs.

President Mitterrand's quarter of a million target is much more modest. But we have no political choice here. We have to declare, as Conservatives, that we believe in work opportunity for every young adult, commensurate with his or her ability. We cannot allow this present desolation to continue festering after the recession is over. We cannot abandon a whole generation, because if we do they will form a new class and abandon us. We have therefore to take action now.

I propose in the short term to begin discussions with my colleagues on a modest programme intended to create about 200,000 jobs, without over-heating the economy too much through those capital projects which they have so far balked at. My reasons are now more compelling than theirs.

But that is only the start. We have to ask, who do we help in the long term and at what price? I have to say that older workers must make way for the young; that we intend this year to start lowering pensionable retirement age, one year at a time, to 60 by

1986. The cash cost will be great, the social benefit — and possibly industrial efficiency — greater in the long run.

Secondly, we shall vastly increase training and vocational education programmes and make them available to all aged 15 to 18. The Manpower Services Commission and the Department of Education must be more closely integrated and I shall be discussing with Sir Keith Joseph what we can do to defend further education against recent indiscriminate cuts. German experience in apprenticeship systems will be immensely valuable to us here.

We shall not achieve the necessary change in work patterns in the short time limit without cooperation from the trade unions. I believe we can build on their professed interest in reducing unemployment and set this against a mass of archaic restrictive practices. It will be a hard bargain, but there is no point in giving the opposition gratuitous ammunition, and I have decided to forgo restrictive legislation in this session to see if there is a last chance of wide-ranging negotiations with the TUC and the Confederation of British Industry on employment and productivity — which will not exclude worker participation.

I recall what Baldwin said on a similar occasion: "We believe in the justice of this Bill, but we are not going to push our political advantage home... We are not going to fire the first shot. We want to create a new atmosphere in which people can come together." I promise you that if we get results, harsh legislation may in the end be unnecessary.

The alternative is to do nothing, and wait. But even if our economic policy works, it will not restore full employment, let alone adequate work for the young, the minorities, the less qualified. Confronted by a moral and political, not primarily economic question, we should remember that unemployment was once before the issue in an election, in 1929. We lost that, despite five years' good achievement. Now we have very few achievements; and if we do nothing we shall lose, and deserve to.

The author is a reader in modern history at Sussex University.

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P. G. Wodehouse at 81, limbering up at his home on Long Island

The dotty world of Wodehouse

Suspension of Disbelief: 30 postulates for relaxed reading of P. G. Wodehouse, who was born 100 years ago today

1. It is always hay-harvest weather in England: for 54 holes of golf a day, or for a swim before breakfast in the lake, morning in the hammock under the cedars, tea on the lawn, coffee on the terrace after dinner.
2. Money is something you should inherit, get monthly as an allowance from an uncle, win at the races or borrow from Ooty Prosser.
3. All small dogs bite your ankles.
4. All babies are hideously ugly.
5. All small boys are friends.
6. All aunts are hell, except Bertie's Aunt Dahlia.
7. All butlers have part in their pantries.
8. Old nannies are a menace. They know too much.
9. Drunk men can be very funny.
10. Almost all middle-aged men, even the most pompous (Lord Tilbury, Sir Gregory Parsloe, Bart, Roderick Spode/Lord Sidcup) were tearaways at some stage of their youth.
11. Country pubs are open all day long and their home-brew ale is very potent.
12. All decent-sized country houses have cellars, coal-sheds and potting sheds for locking people up in.
13. Watch out for girls with two-syllable masculine-sounding shortenings of their Christian names (Bobbie Wickham, Corky Pirbright, Nobby Hopwood, Stiffy Byng). They get the good man of their choice in the end, but they spread havoc on the way.
14. Most handsome men have feet of clay.
15. All young men with wavy, marcelled or corrugated hair have feet of clay and worse.
16. No decent man may cancel, or even refuse, an engagement to a girl.
17. Men and girls in love think only of marriage.
18. Rose gardens turn a girl on.
19. If a young man has a single-syllable Christian name, is poor and ugly and can stop dog-fights, he is sure to be the hero. He may propose to the heroine at their first meeting and try to shower kisses on her upturned face at their second. She will love this, though she may kick his shins at the beginning of such an embrace.
20. A bedroom scene is when you discover someone's made you an apple-pie bed and/or punctured your hot water bottle.
21. Another bedroom scene is when one or more people come and search your room for policemen's helmets, manuscript memoirs, notebooks, jewels or miscreants hiding in cupboards or under the bed.
22. All married couples have separate bedrooms.
23. All bedrooms have on their mantelpieces china figures of the Infant Samuel at Prayer. All these figures are dispensable.
24. Chorus girls are all right and earls (Marshmoreton) and nephews of earls (Ronnie Earls) are very lucky to marry them.
25. Barmoids are all right, and Lords (Yaxley) and Barts (Sir Gregory Parsloe) are lucky to marry them.
26. A country JP can call the local policeman and have anybody arrested and held in a cell on suspicion of anything. At his whim a JP can send anybody to prison without the option and without trial, legal representation or redress, for up to thirty days.
27. If for a country house you need a secretary, a Harley Street loony-doctor, a butler, a cook, a head gardener, a detective or a valet, you go up to London by a morning train and, without having made any appointment by telephone, you find what you want and come back with him or her by train the same afternoon.
28. The night you go to a night club is the night it gets raided by the police.
29. If you are arrested, on Boat Race Night or at a night-club, give a false name and address and they will be accepted by the magistrate.
30. On Boat Race Night in London a young man always gets a bit tight, and it is then his duty to try to part a policeman from his helmet.

Extracts from A Wodehouse Companion by Richard Usborne. Published today by Elm Tree Books at £12.50.

Why the rebels have no moral monopoly

Ronald Butt

"We must have constantly before our minds the common purpose which animates and inspires all Tories, and we must have the return of a Conservative government at the next election... To subordinate politics to economics and within that to select a single economic end, the abandonment of inflation, as the one to be pursued regardless of all other values and considerations... is to subscribe to a false and distorted view of human nature... Who would have thought that we could have seen the day when economic materialism could deck itself out in Tory colours... We must recognize unemployment for what it is — a moral and social evil of the first order" (Mr Norman St John-Stevens addressing the Tory Reform Group at Blackpool).

What is it that primarily motivates the preachers of alternative Conservatism who are so active at Blackpool this week? Is it the fear of (to use Mr St John-Stevens's words) "an electoral catastrophe" — or is it pure and disinterested moral indignation at the Government's supposed indifference to unemployment?

Mr St John-Stevens and his friends would no doubt answer that the distinction is a false one. They would argue that the electoral catastrophe which they predict would be a natural punishment for a moral offence — the Govern-

ment's willingness to sacrifice employment in gambling on a cure for inflation.

But what becomes of the accusation of indifference if the Thatcherites sincerely believe that the prime cause of unemployment in the long run is inflation? Mrs Thatcher and her colleagues do in fact believe they have a moral commitment not to loosen up on the attempt to cure long-term inflation in an attempt to promote a short-term improvement in employment designed to win the next election but regardless of unemployment and national prosperity in the longer run.

Of course the Government could be wrong in this diagnosis and therefore in its remedy. But the Prime Minister and her colleagues genuinely believe that inflation is the root of unemployment and therefore that the cure of unemployment requires the end of inflation. If this much is granted then (whatever practical mistakes they may have made) it is false logic, if not downright disingenuousness, to deny them the moral commitment which Mr St John-Stevens, Sir Ian Gilmour and the 14 Tory MPs who have written the pamphlet *Changing Gear* claim for themselves. (I leave aside the apparently similar position of Mr Edward Heath, who is sui generis in these matters.)

For the Government, believing what it does, to try to

spend the country out of recession and into fuller employment would be to indulge in the cruel kindness of a doctor who preferred the alleviation of temporary discomfort to the attempt at a permanent cure.

Let us therefore hope to hear no more from Mr St John-Stevens about the higher moral commitment to which he and his friends are wedded. He makes it repeatedly clear that he is a moral man much concerned with morality in politics. But he does not make it easy for us to take that claim seriously when he refuses to allow the same moral basis to the policy of the government of which he was lately a member.

Nor does he make it easy to take his special moral position as seriously as he would wish when he persistently pretends not to be attacking Mrs Thatcher or her Government but only the monetarists within the Government.

It would be nice to know who his targets really are if not the Prime Minister and the Chancellor who directs policy.

Conservative MPs who produced the pamphlet *Changing Gear* The pamphlet contains a great deal that ought to command the sympathy and attention of the Government, particularly in its emphasis on the need for real worker participation and share ownership. The Government has been superficial and foolish not to see more clearly the need to win workers' confidence and support this way. But the economic analysis of *Changing Gear* has been superficial and disingenuous. Again, the basic premise is that the Government has become enslaved to an economist's theory at the expense of the party's fundamental principles and instincts. But politicians only take up an economist's theory (recognizing its limitations) when that theory's moment has come in history.

The economic theories to which the Government is pragmatically attached — for they have certainly not been applied in full — were adopted in response to a political understanding, not merely in Britain, but in the whole world, that their time had come. What is more, the choice of policies to rectify inflation by reducing the supply of money that does not represent real wealth was based on a moral conviction — that a spendthrift road leads to disaster.

Those of us who look on at this battle inside the Tory party should not therefore be

distracted by the "morality" versus "economic theory" diversion. What is important is to look at the economic analysis in practical terms, both in its promise of tackling unemployment and of averting electoral disaster for the Tories.

The core of the argument is that the Government should now undertake capital investment and enable private companies to do the same in exchange for pay restraint and a fall in living standards. Public investment, said *Changing Gear*, should be undertaken "on the clear understanding that the programme would be put at threat at once by pay claims which sought to keep up with let alone ahead of, inflation next year".

But how does a government get pay restraint by agreement? When the authors of *Changing Gear*, namely, Mr and Mrs Williams, well be practical politics to call for a temporary pay freeze in exchange for a specific major package of investment projects? They are simply being laughable. Moreover, if they are concerned with winning the next election it is highly unlikely that spending £4-5,000m (as they propose) over the next two years would do the trick — though it might do much to undermine the battle against inflation. Indeed one has the impression that they themselves hardly think it would have much practical

effect since they add that if the election were lost, the Conservatives would at least not be landed with "the permanent stigma of apparent callousness and inaction".

Indeed much of the argument seems more concerned with presentation than policy. It is as though the "rebels" are telling Mrs Thatcher: "Don't just stand there looking as though you are doing something".

Of course there are changes that ought to be made in government policy. They include the encouragement of private money in public industry, a preference for lower interest rates, a lower employer's national insurance surcharge and less taxation at the bottom of the earnings scale, all these in preference to spending more government money in search of an electoral success that it would almost certainly fail to buy.

The Government has made many tactical mistakes in its economic judgment. But its Tory critics have not established their moral superiority at Blackpool this week — nor even their higher economic credibility.

A change of gear may well be needed, but it is also a change in presentation. But the critics have left Mrs Thatcher with a pretty clear run to do this herself in her way when she speaks on Friday.

"Let's not confuse ostentation," I said, "with style."

There was little danger of that, I reflected, as I looked again at the pocket watch she handed back to me.

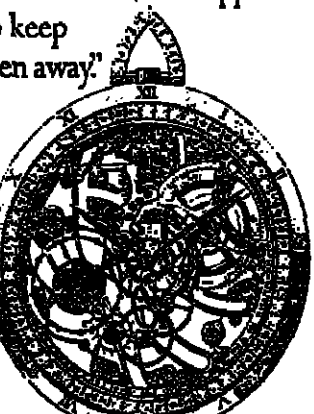
The symmetry of the sixty diamonds encircling the intricately hand-carved movement, punctuating each minute with a sparkle of pure light. The miniature wheels within the transparent case, moving the hands in perfect motion. A delicate evolution of function into decoration.

"But what a shame," she remarked, as I slipped it into my pocket, "to have to keep something so beautiful hidden away."

Perhaps she has yet to discover that pleasure in ownership can come as much from private contemplation as public display.

Audemars Piguet

Illustrated brochure and list of appointed jewellers is available from Audemars Piguet, 71 Saffron Hill, London EC3N 8RS.



The Heath dynasty from tailor to sailor

The life-style of former Prime Minister Edward Heath is a far cry from the humble origins of his forefathers. Debre's reveal in a new book published today. By tracing the family tree back 14 generations, Debre's show that the early Heaths had to face their fair share of poverty.

One of them, Richard Heath, born in 1763, was a seaman who had to apply for charitable relief to the Admiralty. His father, John, a tailor, had his funeral in 1810 paid for by the overseers of the poor who even forked out for the beer for the mourners as well.

The book entitled *Family Historian*, also shows that there is a drop of Royal blood in America's fiercely republican President, Ronald Reagan. Research by Debre's reveals the former Hollywood star is descended from one Riosagan, a nephew of the great Irish King Brian Boru, who was killed in 1014.

The Reagan ancestors are traced back to the beginning of the last century, showing his connections with Ballyporeen in County Tipperary, Eire and also with London. His grandfather, John Reagan, was born at Peckham in May 1854 and baptised at St George's Church, Southwark.

Out of the bag

John Patten, the recently-appointed Parliamentary Under Secretary of State at the Northern Ireland

THE TIMES DIARY

Michael Neubert, MP for Romford and once a professional musician, is doing his career no harm at all with his production of the popular Blue Review at Blackpool. Of the 16 first-night sketches at the Park House Hotel, the wildest acclaim was for Ted Heath — the Wilderness Years (applause led by Heath-baiter, George Gardiner, MP for Reigate), and the Wedding Service for David Steel and Shirley Williams (applause led by Francis Pym, leader of the Commons).

Neubert's script for the former Office, has been regaling Tories at Blackpool with a lurid tale about his wife's underwear and thigh-length leather boots.

They were discovered by security staff in his suitcase at Aldergrove airport after he decided to fly to the province by British Airways instead of with the RAF, to take up his appointment. Fatten had offered to transport his wife's belongings ahead of his forgetting that he would be obliged to disgorge them from his baggage.

The embarrassed junior minister tells the tale against himself in order to explain Northern Ireland Minister of State, Lord Gower's cruel "Hello, John, darling," every time they meet.

Antony Mark II

Less than enthusiastic reviews for Shakespeare's *Rome*, Bernard Miles's abridgement of Julius

Caesar and Antony and Cleopatra at the Marmad Theatre, but I did overhear some people in the audience energetically thinking up new, improved titles for the play, following my item last week doing just that. Several came up with "All's Well That Blends Well", "Ideas and Suicides" was also mentioned — but I liked especially "Leaders' Digest".

At last, the game you have all been waiting for. Many of you may have noticed that some other Fleet Street newspapers are seeking to attract readers through the medium of Bingo, a game of chance normally played by the lower orders. I have often been asked whether *The Times* would be making similar offers but have

always kept mum, knowing we had something better up our sleeves. Now I am able to reveal it. It is a variant of Bingo but, as you would expect, somewhat more erudite. And whereas Bingo panders to that unpleasant human facet, greed, our game exploits a much nobler feeling: hatred.

The rules of "Jingo" are simple — terrifyingly simple. All you have to do is peruse your personal card here, showing nine distinguished foreigners, and put a heavy cross through those that you hate. Remember, mild dislike will not do — you need to feel virulent loathing for the foreigner in question to qualify for a cross.

If you get a row of crosses, you qualify for a third prize — two weeks at the new Club Dead on the Limpopo. A diagonal line qualifies you for a second prize, one week. If you loathe everybody, including Ching Ching, you win a major prize, two exciting months at



deals with Heath's withdrawal from public life to the Third World of Broadstairs, where he is rebuilding the Sea Wall. The latter has a vicar joining together Steel and Mrs Williams "in political expediency, which is a laudable estate signifying the cynical union between the Liberal Party and the Social Democrats".

Neubert, whose previous connections with the stage include a much-acclaimed performance as third huntsman from the left in a school production of *The Taming of the Shrew*, wrote the script with his wife, Sally, who also stars in the show.

Casser and Antony and Cleopatra at the Marmad Theatre, but I did overhear some people in the audience energetically thinking up new, improved titles for the play, following my item last week doing just that. Several came up with "All's Well That Blends Well", "Ideas and Suicides" was also mentioned — but I liked especially "Leaders' Digest".

the Government's new short sharp shock centre on Gruinard in Scotland. This offer will not be repeated.

Damp deception

In the opening frames of *The French Lieutenant's Woman* which opens today, huge waves can be seen swamping the jetties at Lyme Regis as a solitary hooded figure gazes out to sea. The figure, however, is not Meryl Streep. It is not a woman at all, in fact, but Terry Pritchard, one of the film's art directors. The shot requires heavy seas but, understandably, perhaps, it was too risky for Miss Streep. Pritchard gallantly volunteered, wearing a wet suit and the famous cape.

Inflated future

It had to happen (amazing how often one can start with these words, these days). The United States Social Security Administration has calculated that all children born in the present decade, and who survive a normal life span, will become (dollar) millionaires. Assuming 4 per cent inflation a year (and in America in the past months it has varied from 8 to 10, over the next 70 years, the SSA calculates that the average annual income in 2051 will be \$761,332, even those on social security will pull in \$300,635 every year. (It's not comforting, of course. On the same basis, by then cigarettes will cost nearly £27 for 20 and a bottle of whisky will set you back over £152.)

Peter Watson



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

BREATHING SPACE

There was never any serious possibility of the Conservative conference failing to support the Government's economic policy at Blackpool yesterday. It is not in the nature of a Conservative conference, which is composed mostly of active party workers, to reject its own administration on the central feature of its strategy. The policy was duly endorsed, and it was more than a formal endorsement. There was positive enthusiasm for the chancellor sticking to his course.

Mr Heath was on the whole received rather better than feared by some of the shrewd party managers who know the electoral worth of the Tory party being a party of courtesy. There was, though, some booing mingled with applause when he went to the rostrum, and there was some catcalling in the course of his speech. A direct insult from a subsequent speaker was warmly applauded. This was boorish treatment of a former party leader and Prime Minister.

Mr Heath did not, however, convince the conference with the presentation of his case. He cannot have hoped to do so. He must have known that

he does not nowadays command sufficient personal confidence within the party for such a task. In his speech at Blackpool yesterday, as in his recent speeches elsewhere in the country, he was addressing a wider audience. Indeed to a large extent the proceedings at Blackpool have the nature of a preliminary engagement. Sir Geoffrey Howe knows that he has the backing of the party activists to maintain his strategy. He was able to obtain his success yesterday without any hint of a change of policy or any concession to his critics. This has won him a breathing space, but it is no more than that. This is partly because underneath the warmth of the conference the Conservatives are always more worried than other parties by the prospect of electoral defeat. They believe that they are in politics to govern, and the threat of the Social Democrats has struck a good deal of quiet alarm in Tory breasts. The closer the election looms the more attention even the party activists will pay to the political consequences of the government's policies.

The second reason why Sir Geoffrey has achieved no more than a breathing space in

which to continue his present strategy unchanged is that a Conservative conference customarily exerts only marginal influence on its government's policies. It has no formal responsibility for determining policy, as the conference has in the Labour party. There is also the habit of loyalty, which does not extend to all the government's policies — as Mr Whitelaw found to his discomfort in the law and order debate on Tuesday — but makes the conference a poor instrument for applying effective pressure.

The pressure that will count over the coming months will be the pressure of Conservative backbenchers and, still more, the pressure of events. The conference likes the idea of a government that will press on with the mission to bring a greater sense of economic realism to this country, despite all the difficulties. That will make the parliamentary party rather more cautious about pressing criticism for a little while — but not indefinitely if the facts, especially on inflation, are sufficiently disturbing. Whether or not the government modifies its economic policies in due course will be determined by wider forces than are represented at Blackpool this week.

CASUALTIES OF CONFLICT

The Nobel Peace Prize has not always contributed to intellectual and political peace. It stumbled into controversy when it went to Dr Kissinger and Le Duc Tho in 1973, and again when it honoured President Sadat and Mr Begin in 1978. Leaving aside the merits or otherwise of those decisions, controversy in itself is no bad thing. Peace can seldom be regarded in isolation from the conflicts which preceded it, so there are few peace treaties which command universal assent. One man's peace is another man's poison.

Nevertheless, the prize remains a valuable way of bestowing honour and attention of people and institutions working for a lessening of the savage conflicts which mankind inflicts upon itself. Sometimes, by drawing attention to their work, it can increase their influence and thereby contribute to the resolution of future conflicts. Its resonance has, on the whole, survived controversy.

In honouring the office of

United Nations High Commissioner for Refugees the committee is recognizing the second time an institution which has done an enormous amount to relieve human suffering that has followed from war and political, religious or ethnic repression. In particular the committee can be presumed to have been impressed by the resettlement of some 650,000 refugees from Vietnam and Kampuchea in recent years, just as in 1954 it paid tribute to the resettling of the refugees created in Europe by the Second World War. There are at least another ten million refugees around the world, and probably more, so the work of the UNHCR shows no signs of diminishing. Afghanistan has been pouring its suffering population into Pakistan. Somalia has over a million refugees. Sudan about half a million, and South-East Asia some very large numbers which defy precise calculation. Recently El Salvador and Poland have been adding to the numbers. Each new conflict produces more. The UNHCR needs all the public support and help it can get.

It may be argued that the UNHCR is less concerned with promoting peace than clearing up the mess that is left when peace breaks down, but refugees can themselves contribute to international tension if left unsettled, as the Palestinian problem illustrates. There the refugees have been looked after by relief agencies because of political resistance to the re-settlement policies of the UNHCR.

In West Germany after the war the recognition of the existence of a new state — East Germany — and of new frontiers for Poland was also long delayed, partly because of pressure from those who had fled or been driven from their homes in the east. But re-settlement gradually eased the problem and thereby took some of the tension out of Europe's still technically provisional peace arrangements. Re-settlement may often mean accepting that a situation is irreversible, even if it is regarded as unjust. Yet most people would surely agree that the world is a better place because of the work of the UNHCR.

MISCARRIAGES OF BAIL

The decision whether a defendant ought to be granted bail or remanded in custody is among the most sensitive and difficult that magistrates have to make. It is also an extremely important decision, both for the individual concerned and for society. If magistrates become too strict, perhaps thousands of innocent people will find themselves detained in custody for a period of weeks or even months. That would be a scandalous stain on our system of criminal justice, and would make nonsense of the presumption of innocence. The figures are already disturbing. In 1979, out of nearly 65,000 defendants refused bail, more than 1,700 were eventually acquitted or had the cases against them withdrawn.

If, on the other hand, magistrates are too lenient, there is a grave danger that serious — or worse, dangerous — criminals will be released on bail and thereby allowed to continue their careers in crime.

Several senior police officers have gathered statistics

showing that a significant proportion of those arrested for various crimes were out on bail. Every now and again a man charged with a very serious offence, armed robbery, for instance, is released on bail and promptly commits another, equally serious, violent offence. It is right that such occurrences should provoke outcry and concern about the working of the bail system. What is necessary, however, is to identify the reason for an apparently unjustifiable decision to grant bail. Merely to rail against the law, or soft magistrates, is misguided.

The Bail Act 1976 lays down three exceptions to the general presumption that a defendant appearing on remand should be granted bail. Magistrates can and should refuse bail if they feel that the defendant will not turn up for his trial, or will commit an offence while out on bail, or will interfere with witnesses or otherwise obstruct the course of justice. These criteria give magistrates ample

scope to refuse bail in appropriate cases.

It must be remembered that magistrates themselves rely on the police for their information about a defendant. It is, rightly, not enough for the police merely to state that they object to bail. They have to provide reasons, and sometimes the reasons are insufficient. This implies no fault on the part of the police — very often they too do not know enough about an accused at the time of remand, the result however is that magistrates are often unfairly blamed for granting bail when they simply did not have the information to justify a refusal.

There are, however, sufficient cases that cannot be explained in that way, in which magistrates, in spite of clear and informed warnings by the police, grant bail to totally undeserving defendants, often not once, but again and again. For that, there can be no excuse. They are playing with the safety of the community.

DISAPPEARING MOORLAND

The Government has a paradox to defend today in the Lords debate on the Wildlife and Countryside Bill, now at the end of its long ramble towards the statute-book. As it stands, the Bill would give farmers a right to automatic compensation whenever they are refused grants on environmental grounds for projects to plough up moorland, drain marshes or otherwise profitably alter landscapes officially identified as worth preserving. The grants exist to encourage developments the Government considers desirable; in these instances the farmer will get his reward for not doing what is not considered desirable.

The urban householder whose council can stop him building a garage in his own garden with no compensation at all may well wonder why farmers should profit whether they win or lose. Conservationists have warned that compensation on the scale set by the precedents of Exmoor and, more recently, Halvergate Marshes, might soon run into millions a year. Without a huge expansion in their own resources, the national park

authorities might scarcely be able to use the new machinery for appeal against development projects.

The threat to the landscape is real and urgent. Evidence published while the Bill has been germinating suggests that 12,000 acres of national park moorland and 10 per cent of all designated sites of scientific interest disappear every year. Many of these changes would never be made without grant aid. The Government's position would indeed be paradoxical if the sole purpose of agricultural grants was to increase production. But they have the wider purpose of supporting farming in areas where conditions are adverse, thus preventing rural depopulation and desertion which would leave their own marks on the landscape. In current conditions the upland farmers most affected need to increase their production to maintain a level income.

Resources to pay compensation will be limited. Mr Michael Heseltine has promised that the Government will take account of the authorities' new financial responsibilities,

but added in the same breath that resources were scarce. It would have been better to have shared the cost of the compensation between environmental and agricultural budgets. If the Minister of Agriculture bore more of the cost, it might look more sceptically on the agricultural merits of some schemes that wring immediate profits from the land at the risk of impairing its long-term health.

A rush to develop cannot be ruled out. Mr Heseltine said last month that if national park moorland was developed at an unacceptable rate the Government would use its new powers under the Bill to arrest the process while further statutory powers were sought. He should have added that the present rate would itself be unacceptable if it were continued. In effect, the Bill is the last chance for the voluntary principle in agricultural planning, the last attempt to reconcile the interests of farming and conservation without prohibitions. If it fails, then the case for a measure of compulsory planning control will be irresistible.

Outrage after the Chelsea bomb

From Mr Andrew Kelly

Sir, It is immensely distressing to witness once again on the streets of London the outrage and senselessness of an IRA bomb attack. It is reassuring to know that, in the sympathetic treatment given to the occurrence by the media, they have clearly and correctly taken the side of the hapless victims. So far so good.

However, why should it be that when immensely greater and unjustifiable massacres of civilians occur in Ulster the media are concerned not to take sides to the point of consigning the latest horror to an inside page or its equivalent? The hunger strikers consistently better. Their campaign was kept to the forefront of the British public's mind while the sufferings and true anguish of their victims are quietly forgotten.

Where is the conscience of the British media that they seek to equate the death of an IRA terrorist in prison with the brutal murder of young men and women serving and protecting their community in the line of duty? Where is the righteous indignation, which so properly ensued in the aftermath of the Chelsea Barracks attack, when it is merely a matter of a few more honest Ulstermen and women cruelly cut down?

The people of London have witnessed nothing in their streets to equal the horror of Ulster's suffering over 12 years yet one afternoon's atrocity in the capital is enough to galvanise the media into unreserved condemnation. If, which God forbid, the British public on the mainland must be subjected to the deprivations of human rights suffered in Ulster, will they suffer fools from Whitehall as gladly as they have been stoically received in Ulster? Will they tolerate the incompetence of successive governments to bring the IRA to its knees? Will they tolerate the incompetence of their own game and will the media stop to argue the niceties of whether fair coverage should be given to the IRA for their "reasons" behind the perpetration of outrage after outrage? Rather, as I suspect, will the Government stamp out terrorism on the mainland ruthlessly? If so, why have we British in Ulster been so discriminated against over the past decade, so that neither life nor liberty nor property let alone the opportunity for happiness is guaranteed?

Yours sincerely,
ANDREW KELLY,
2 Harcourt Buildings,
Temple, EC4.
October 12.

From Mr James Quinn

Sir, A Belfastman, I had the honour to serve with the Irish Guards in the last war. Amongst many other precious memories is the recollection of a national pride as well as a commitment to a larger common purpose which united Northerners and Southerners, Catholics and Protestants. It is fervently to be hoped that the recent barbarous attack on their fellow-countrymen will make it clear to all and to our American friends in particular, that whatever motivates the IRA it has nothing to do with religious differences nor with a genuine desire to achieve the kind of mutual respect and cooperation which characterised Irish Guardsmen from both sides of the border and in which there can be no lasting solution to the Irish problem.

Yours sincerely,
JAMES QUINN,
7 Tregunter Road, SW10.

Staying afloat

From Mr K. G. Braidwood

Sir, Mr Robert Atkinson (October 7) is wrong to blame the support which foreign governments give to their own shipyards for the decline in the activity of Britain's shipyards. The inducements for foreign owners to build here are very considerable and so far as financial terms are concerned Britain can offer a package every bit as good as that offered anywhere else in the world, including Japan. What we have not offered all too often is the type of ship the buyer wants.

Certainly British Shipbuilders inherited daunting problems of low productivity, out-of-date yards, union obduracy and the like but far from tackling these powerful deficiencies British Shipbuilders fatefully overlaid them with an inflexible bureaucracy which tried, and failed, to sell more of the "tried and true". The dominant attitude of British Shipbuilders has been willingness to incur losses on traditional business rather than risk making profits or losses on new designs and its own innovation. Customers have been told what British Shipbuilders is willing to build.

Engraving Shipping has experience of this attitude. In 1978 and 1979 we introduced to British Shipbuilders two potentially large contracts for passenger ships and a project for floating hostel or hotel accommodation. Scant interest was shown, the enquiries were not followed up and the orders went to French, German and Scandinavian yards; other orders followed. In all there are now twelve major new passenger buildings in foreign yards; none are here yet we lack neither the facilities nor the labour to do this work. British Shipbuilders has declined to go out of its collective way to work on new designs and projects, let alone initiate them. Such demanding work has been allowed to go abroad. It is a harsh but thoroughly deserved criticism.

Yours sincerely,
K. G. BRAIDWOOD,
Engraving Shipping Company
Limited,
7D Sandrock Road,
Tunbridge Wells,
Kent.

LETTERS TO THE EDITOR

Practical help for young unemployed

From Mr Ray Hurst

Sir, Your leader "A generation at risk" (October 9) recognised the increasing despair being experienced by unemployed young people. The local authority careers service is in the front line dealing with this tragic and frustrating problem. In September, 1981, 350,000 young people were registered as unemployed at careers offices alone. Adding to this total the 200,000 present engaged in the Youth Opportunities Programme means that over 5 million teenagers available for real jobs were registered with the careers service.

Of special concern is the rapid rise in the numbers of young people experiencing continuous unemployment over six months. In July this year, 140,000 young people aged under 20 were in this category. This total was almost 400,000 if those aged under 25 were included.

Apart from the economic waste associated with this situation, the social dangers must also be apparent to all. As your leader so aptly put it, the hopes and minds of young people is dominated by one issue: how to get and keep a job. The fact that over one million young people have volunteered to enter the Youth Opportunities Programme since it started in April, 1978, is concrete evidence of their desire to do something constructive rather than remain unemployed. It is now of the utmost urgency that the Government decides to accompany its much welcomed investment in the expansion of special schemes with a positive attempt to create real jobs. So far as young people are concerned, as the evidence of recent events confirms, a society which keeps them idle is a nastier society than one in which they experience a measure of inflation. It is also a more unjust society.

Yours faithfully,
RAY HURST,
Honorary Secretary,
The Institute of Careers Officers,
Careers Office,
Barnet,
Middlesex, EN4 6JH.

From Sir Walter Oakeshott, FBA, and Professor H. W. Singer

Sir, Archbishop Ramsey in describing "the life and work of William Temple" in *The Times* (Saturday, October 10) has already alluded to his concept of the unemployed of the thirties. May we add a little to that part of the impact of this great man?

In 1933 when unemployment was at its worst I invited a group of people to consult with me about the problem. Thus Archbishop Temple himself opens the account of the initiative he took to launch the Pilgrim Trust Unemployment Enquiry resulting

in the report *Men Without Work* (Cambridge University Press) describing unemployment conditions in six towns — Blackburn, Liverpool, the Rhondda Valley, Crook (Co Durham), Leicester and Deptford — and making recommendations for changes in the unemployment insurance and assistance system. The above quotation is the opening sentence of his introduction to this report.

Two further sentences will seem prophetic today when we struggle once again with unemployment. "We have become accustomed to a high degree of unemployment and are inclined to be secure in the feeling, partly justified by the facts, that unemployment is 'well in hand' as far as the authorities are concerned, and is not impairing seriously the prosperity of the country. The report shows the existence of such a state of affairs that acquiescence in existing activities as a policy for the present cannot be tolerated, and as a policy for the future may be exceedingly dangerous."

The writers of this letter, as two of the three then young researchers entrusted with this report, can testify to the close, personal and moulding influence which Dr Temple took in this investigation, and in translating its findings into action. Is his warning not timely today?

Yours faithfully,
WALTER OAKESHOTT,
Lincoln College, Oxford.
H. W. SINGER,
Institute of Development Studies,
University of Sussex,
Brighton, Sussex,
October 12.

From Mrs H. Blackwell

Sir, I do not think there is anyone who is not worried by the present extent of youth unemployment. A young person who cannot find a job will either grow increasingly apathetic or will resort to violence of one sort or another. It is in everyone's interest that our young people should be given something to do. More vocational training and apprenticeships should be provided.

But further education will not, by itself, solve the growing problem. Jobs are needed. And the only way, I am afraid, in which we can provide employment for those seeking work is by introducing a form of national service. By no other means can the state guarantee all school leavers a job. The idea may be unpopular, but I think you must agree that it is the only practical solution to our present problem.

Yours faithfully,
HILDEGARD BLACKWELL,
Twin Oaks,
Presbury Road,
Wimslow,
Cheshire.

From Mr David Clime

Sir, In this century year of the great and good Sir Peiham Wooster I hope I may be permitted to plead, through your columns, for a mark of respect in the shape of a moratorium on the Wooster Monocle Fallacy.

Throughout the whole of the canon I have been unable to find a single reference to Bertie Wooster wearing a monocle. As far as I can see, he does not wear a monocle; he never has worn a monocle, and now it seems highly unlikely that he ever will wear a monocle. Psmith wears a monocle, the Hon. Gahad Threepwood wears a monocle, and a recent poll at the Drones Club reveals that 63.5 of the membership (Catsmeat Pirbright occasionally for theatrical purposes) wear monocles. But the name of B. Wooster, far from leading all the rest, does not even appear down among the wines and spirits.

Clearly, the man is unmonocled. Yet in the two hemispheres available to us I seem to be the only person aware of it. Even the learned Mr Richard Usborne makes no mention of this (admittedly negative) fact. Everybody else is clearly under the impression that the Wooster eye has been behind glass day and night since birth. An actor's first impulse on being asked to portray Bertie is to seize the nearest sheet of window-pane and start cutting discs out of it. Why? The finger points inexorably to the illustrators.

With a few honourable exceptions, Sir Peiham was not lucky with his illustrators. But in all their illustrations, good, bad, indifferent (and including that extraordinary collection of what appear to be waxworks on the Penguin covers), whenever the presence of the *preux chevalier de nos jours* is called for, there he invariably is, eyebrow clenched and ribbon a-dangle. Sir Peiham, ever kindly, seems never to have objected, but to my mind it is equivalent to presenting a Jeeves with a walrus moustache or a Lord Emsworth in a well-preserved natty gets suiting.

Yours faithfully,
DAVID CLIME,
32 Cranley Mews, SW7.

Brideshead's men at arms

From Mr Andrew d'Antal

Sir, Having read Michael Ratcliffe's paragon on *Brideshead Revisited* (October 13), I am not really surprised that he was not inclined to make any critical reference to the military clangers in the opening section of the first instalment. Though I share his enthusiasm for the production as a whole, I cannot let these shocking errors pass without protest.

Having been a sergeant in 1940 and a sergeant-major in 1941, I can confidently assure the producers of *Brideshead Revisited* that a sergeant-major does not wear three stripes, as did the man addressed as sergeant-major by Charles Ryder. The costume department should surely have known better and provided him with a uniform appropriate to his rank, i.e. with crowns at the lower ends of the sleeves, and of course no stripes at all.

Worse was to follow: Captain Ryder responded to a soldier's salute (indorsers) with a salute of his own although his head was bare. Sir, as you well know, as indeed any British schoolboy surely knows, it is only in the armed forces of the United States that such a thing is done.

No British soldier of any rank is allowed to salute if he is not wearing a cap. If the purpose of the captain's gesture is possibly to make *Brideshead Revisited* more easily marketable in the United States, then I would beg to suggest that the price is too high.

Yours truly,
ANDREW D'ANTAL,
10 Deepdale, SW19,
October 13.

From Mr R. W. Suddards

Sir, The problem of maintaining the Anglican tradition of keeping open churches can largely be solved by the adoption of modern electronic devices to protect valuable artefacts. The diocese of Bradford set up a working party, of which I am chairman, to consider the aspects of tourism and churches: security was the first problem we tackled and the subject of a report published in May 1981.

The first line of defence against theft is a constant presence of the vicar or church workers. Simple deterrents — bricking in safes, secure locks and adequate lighting — are obvious but not always carried out. We considered a sample church with fine artefacts and found that an electronic installation covering chancel and vestry would cost £461, VAT at zero, prices as at February 1981. In addition there is an optional maintenance charge and the small cost of electricity while the system is operational.

An intruder lifting a candlestick would set off a loud alarm bell, either inside or outside the church. Experience shows that this will deter the vast majority, who will drop the article and run. Variants of the bell (not included in this estimate) could be an automatic locking of the main door, a call to the police station, or even a recorded warning or sermon!

The vandal is more difficult to deal with, although there is not much of this problem recorded in this diocese. Constant but occasional visits by parishioners seems probably the best solution. I am, Sir, yours faithfully,
ROGER W. SUDDARDS,
128 Sunbridge Road,
Bradford,
October 9.

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Yours faithfully,
DAVID CLIME,
32 Cranley Mews, SW7.

From Mr Jasper Rotham

Sir, I am surprised that Mr Heath should suggest bringing back exchange control just now. Exchange control can be an effective tool in wartime when there is postal censorship and the freedom of the seas is suspended.

My observation of, and participation in, the working of peace-time exchange control at the Bank of England from 1946 to 1967 led me to conclude that it dealt more with symptoms than causes, and did not achieve what its advocates claim for it.

Exchange control will not save a country which loses control of its own internal problems; a country which is in control of them does not need it.

A currency is "strong" when its own citizens trust its purchasing power, and vice versa.

This does not invalidate the need for close and incessant cooperation between central banks in seeking to offset the unsettling effects of large flows of funds across the international exchanges.

But sterling, like charity, begins at home.

I am, Sir, your obedient servant,
JASPER ROTHAM,
7 Watling Street,
Corbridge,
Northumberland,
October 9.

From Mr Geoffrey Sampson

Sir, Professor A. N. Allott (letter, October 9) suggests that the academic tenure system allows many British dons to "behave as if they were retired before retiring age." His picture of modern universities as sunk in the sloth of eighteenth-century Oxford is quite misleading.

My own university is one where the tenure aspect of contracts is relatively generous, but it would certainly allow the sacking of a colleague who abandoned his duties for nine months without

excuse. In the academic world that I know, most staff work hard and even the weaker brethren are not mere passengers.

What the Government is effectively telling us is that much of our work is not needed and that the tenure system interferes with attempts to reduce this waste; that may be true (I believe it is), but it is an entirely separate issue.

Yours faithfully,
GEOFFREY SAMPSON,
Richmond House,
Ingelton,
Yorkshire,
October 10.

Contracts for dons

From Mr Geoffrey Sampson

Sir, Professor A. N. Allott (letter, October 9) suggests that the academic tenure system allows many British dons to "behave as if they were retired before retiring age." His picture of modern universities as sunk in the sloth of eighteenth-century Oxford is quite misleading.

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KUWAIT

David Hewson discusses Kuwaiti reactions to the war on the doorstep between Iran and Iraq, and in a second article the implications of the return to parliamentary democracy

It is tempting to describe Kuwait's present period of quiet success as unreal. There are, after all, a number of reasons for this strategically placed Gulf state to have cause for concern.

The year-old war between Iran and Kuwait's northern neighbour Iraq is the most obvious. Fighting has been close to the Kuwaiti border and less than 70 miles from the capital itself. Only two weeks ago, an oil installation north of Kuwait City was partly destroyed in an air attack which Kuwait blames on Iran.

No one was injured in the attack, and it is possible that the raid was accidental. But it seems more likely to have been a deliberate attempt by Iran to warn Kuwait against taking too open a position of support for Iraq, the continuing difficulties over Palestine, and of pressing importance to a state which attempts to take a non-aligned stance in world affairs. America's talk of intervention in the region if a threat appears to its oil supplies.

Yet, after an initial period of doubt, Kuwait has now settled down to take the war in its stride. Neat orange signs in the capital point the way to air raid shelters swiftly erected after the outbreak of war, but there seems to be no urgency to acquire the sirens which would complement them.

And the Kuwaitis' natural merchandising skills have surfaced, turning the state into a busy gateway for supplies destined for Iraq but prevented from reaching their eventual destination by sea by the fighting near Basra.

Calamity may be on Kuwait's doorstep, then, but it shows no signs of crossing the border. Unreal? Anywhere else in the world, perhaps, but not in The Gulf, where the riches of oil revenues arrive at such a rate that problems tend to be swallowed in a surfeit of dollars and expatriate workers.

Kuwait is the land of the *dishdasha* behind the wheel of a Cadillac, the ultimate in

labour intensive industries, with the intensity of most of the labour falling squarely on the backs of myriad Asian workmen.

As such, it is no different from its neighbouring oil-rich Gulf neighbours, but it does set itself apart in a number of key areas. Since before the oil revenues began to flow, the Kuwaitis regarded themselves as the worldly-wise intellectuals of The Gulf, a cut above the ordinary bedu.

This internationalism is reflected in the state's heartfelt attempt to present itself as a non-aligned party on the world stage, while its southern neighbours all sway towards the West in varying degrees. Kuwait is the only Gulf state to maintain diplomatic relations with Moscow, and the Amir, Shaikh Jaber Al Ahmad al-Sabah, recently completed a 12-day tour of the Balkans, taking in such Russian spheres of influence as Bulgaria, Romania and Hungary, which no other Gulf leader would have countenanced.

Dealing with the big powers

On his return, the Amir called on his Gulf neighbours to set up relations with Eastern block countries along the lines already embraced by Kuwait. In conversation with the editors of the Gulf newspapers, he outlined his reasons for the visit, one being to counterbalance the impression given by the formation of the Gulf Cooperation Council that Kuwait, one of the GCC's members, was moving towards the West.

The visit was to "strike our own balance in dealing with the big powers", he said. "We have realized from the beginning that ours is a small country in power and size when compared with the major powers and their interests."

These views were explained in detail to Mrs Thatcher, during her 24-hour stay in the state on her way to the Commonwealth Conference last month, and clearly resulted in some softening of Britain's warnings about the possibility of Soviet subversion in the region.

Though Mrs Thatcher was welcomed with some warmth,

it was not a wholly successful visit. The Prime Minister's call for increased political and economic ties with Britain was well received, but the Kuwaitis disapproved of some of her more critical remarks about the Palestinian Liberation Organization.

This stance of non-alignment goes some way to explaining Kuwait's generally mute position over the Iraq-Iran conflict. From the outset, it had little reason to love either of the antagonists. Iran had already sent shock waves through The Gulf with its chaotic revolution, a revival of Islamic fundamentalism which threatened to spread through the region. Kuwait, with a large Shia population, naturally looked about it with some concern. Events later proved that the Khomeini period was an experience which no Muslim, Shia or Sunni, wished to go through, and in the case of Kuwait's largely middle-class Shia they regarded events in Tehran with the same horror as their neighbours.

Iraq had closer ties, both geographically and because it is an Arab nation, but relations with Kuwait have been far from friendly since 1961 when Baghdad laid claim to a large section of Kuwait's northern border. This claim remains extant and may prove a serious problem for Kuwait should Iraq hold Shatt-al-Arab at the end of the war and consequently take a firm grip on the northern end of The Gulf.

The friction between the two countries can become publicly obvious. Earlier this year a series of bombs exploded in Kuwait. No one was injured but the blow to the peace of mind of a normally ordered community was considerable. Though there is no proof that Iraq organized the explosions, it remains a fact that four Palestinians who were suspected of being involved in the plot escaped to Iraq. Baghdad, in refusing to return them, cited its border difficulties with Kuwait.

Nevertheless, Kuwait is quietly supporting Iraq in the struggle. Every effort is being made to divert supplies through Kuwait's ports to Iraq by land, and, though there is no outspoken backing for Baghdad from the Kuwaitis

leadership, it is noticeable that when the two antagonists are criticized for pursuing the war, the criticism of Iraq is always less severe.

The desired outcome for Kuwait would, without doubt, be for the conflict to peter out into a stalemate. A victorious Iraq could lead to Baghdad seeking to increase its role elsewhere in the region.

The threat of Iraq is perceived as a real one and partly explains Kuwait's keenness to join in the Gulf Cooperation Council, the joint economic and military pact with five neighbours. Kuwait is the most dovish of the members, with Oman at the other extreme, but its initial reluctance to become embroiled in military matters has receded somewhat and it has now agreed to a military dialogue within the council.

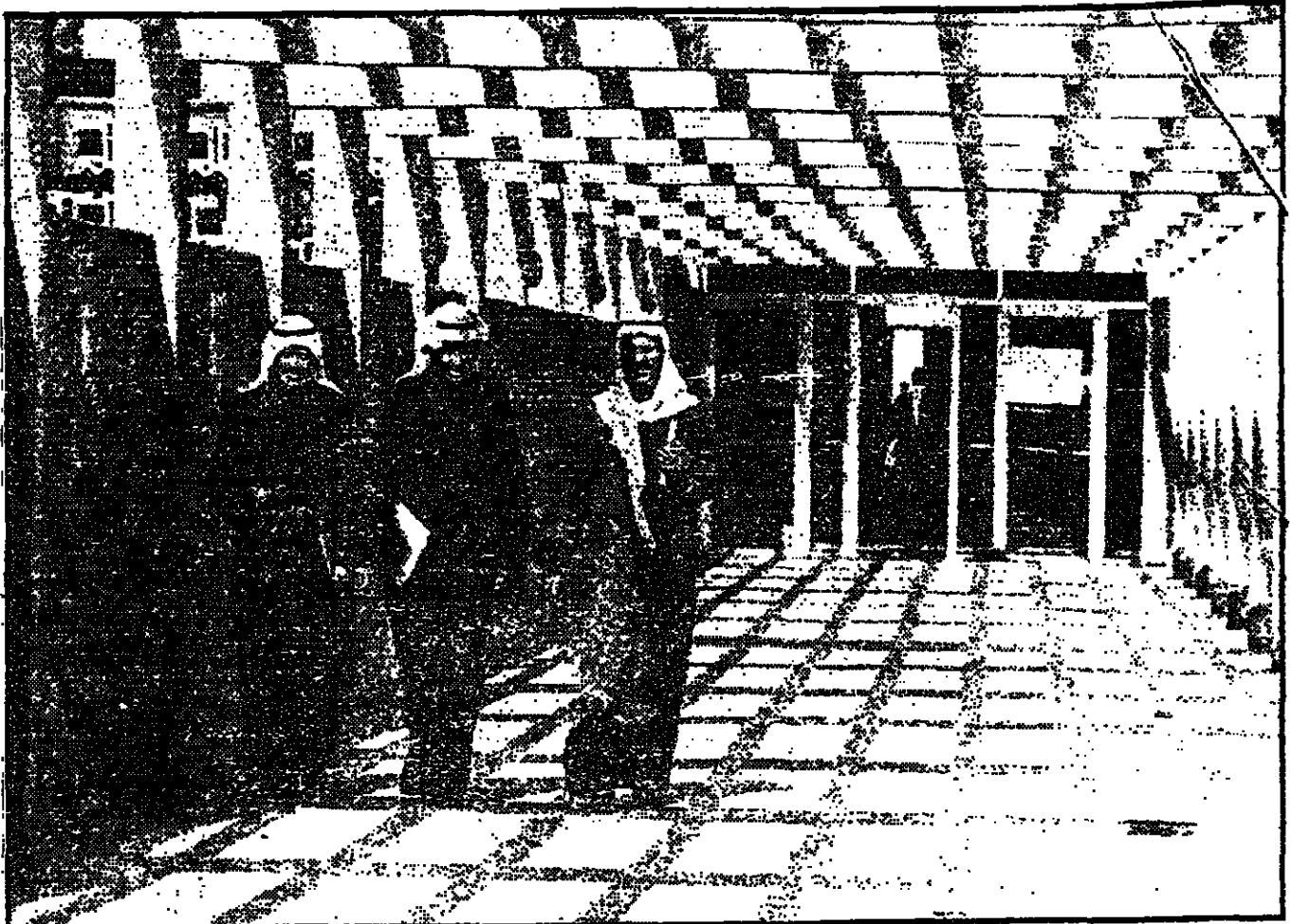
Yet if one asks a Kuwaiti today what poses the greatest threat to Gulf security, he will doubtless point his finger at the Reagan Administration.

The growing anger over America, not just within Kuwait but throughout The Gulf, stems from two considerations. There is genuine bewilderment over the American stance on Palestine, which most Arabs believe has now scuppered what chances the European initiative stood of reaching a breakthrough.

This rift is compounded by America's hawkish statements about the use of a rapid deployment force in the region, a force which, in the eyes of The Gulf's leaders, is more likely to be used against them than for them.

These cares notwithstanding, Kuwait is prosperous and fairly content. For the expatriate it will never be the favourite posting, with its ban on alcohol and absence of Western entertainment. But it remains stable, and confident enough of its own future to reintroduce an elected assembly, something unheard of in its southern neighbours, at a time when it could have been forgiven for stalling.

It remains to be seen whether the main point of criticism of the state from the West — that its protestations of non-alignment leave it too complacent about the threat of subversion or intervention from the Soviet Union — will prove merited.



Students at Kuwait university: there are more than 10,000, over half of them women

The exclusive democracy

Last February Kuwait's 50,000 registered voters went to the polls to elect a new assembly. It was four years since the last elected *majlis* was dissolved in the midst of increasing tension caused largely by the war in Lebanon.

It is a measure of the confidence of Kuwait's leadership that it feels able to reintroduce the Parliament at a time when pressures in the region are as disturbing as they are, but a promise had been made that the assembly would return in four years. That promise was kept, though many felt that its return could have been delayed without too much complaint from its supporters.

Kuwait's elected *majlis* is unique in The Gulf and much envied by its neighbours. The United Arab Emirates comes closest to it with its largely advisory council of appointees, and Saudi Arabia is thought to be considering the creation of a similar government-appointed body.

But elections remain anathema to most other Gulf leaders, which is why liberals throughout the region applaud Kuwait's decision to reintroduce its *majlis* at such a time. Before one hails Kuwait's Parliament as a model of democracy, however, a number of caveats have to be introduced.

Like most of its neighbours, Kuwait has a high, largely Asian and other Arab, immigrant population. Kuwaitis make up 41 per cent of the country's 1,300,000 population. The immigrants have no vote; neither do women nor members of the Armed Forces. Second-class Kuwaiti citizens — those who cannot trace their ancestry in the state back to 1920 — are disenfranchised.

When the electoral register was completed, it became apparent that only 43,000 — 3 per cent of the population — were entitled to vote. Even if, as the Parliament insists, there was a high turnout on polling day, this still makes

the new *majlis* very much a minority voice as far as the whole of the state of Kuwait is concerned.

But these caveats are very much Western ones, and it would be wrong to dismiss the *majlis* as a sop to democratic ideals. According to the Parliament, there were 450 candidates for the 50 seats in 25 constituencies made available in the election. Though political parties are banned in the state, a wide range of groupings made themselves known, from the collectivist left to representatives of Islamic fundamentalism.

The election was a lively one, with candidates erecting tents on Kuwait's main streets and entertaining their potential supporters with electioneering messages and free coffee. Much of the voting was along family lines.

The result was a surprisingly moderate poll, excluding all of the left candidates and many of the rightists. The typical member of the *majlis* today is a young, well-edu-

cated middle class professional.

The powers of the assembly are, potentially, considerable. The size of the Amir's Cabinet is limited to one third of that of the Parliament, and the elected body has the power, if it wins sufficient support, to sack ministers. It remains to be seen whether it will promulgate its own laws rather than just ratify those handed down from Cabinet.

Constitutionally, this is possible, even against the Amir's wishes. The Parliament may send a law to the Amir for his approval. If this is refused, the Assembly can pass the legislation if it meets with a two-thirds majority. But the mood of the present Assembly would seem to be to work within the Amir's influence rather than outside it, and it seems unlikely that such situations will occur.

It is difficult to predict in which direction the *majlis* may move politically. It is

Continued next page

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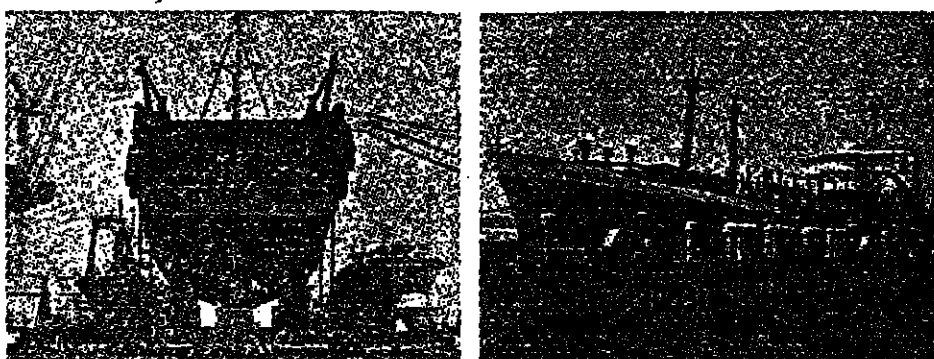
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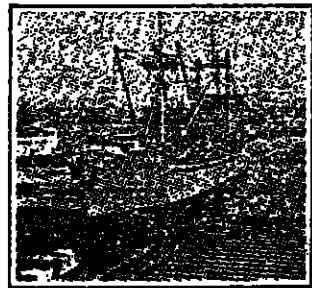
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KUWAIT

John Whelan, deputy editor Middle East Economic Digest, discusses oil policy and assesses confidence in the economy in the light of the war

Putting their faith in that familiar flair

Oil production in recent months has been cut to about 500,000 barrels a day (b/d) which is less than one third of the levels reached in the peak year of 1972 when it exceeded three million b/d. Sales have been hit by the world oil glut and tough customer resistance, particularly from Japan, to high prices. Kuwaiti officials believe that the oil glut is temporary and have squeezed production levels rather than discount prices.

The national source of wealth will still provide, even on a depressed production level of this kind, annual income at present prices of 3,000m Kuwaiti dinars (\$12,300m), well above the Government's operational budget of just over 3,000m dinars (\$10,545m). This calculation excludes investment income which is not taken into account for budget purposes.

Government confidence in the resilience of the economy was expressed on August 25 by Abdel-Mohsin al-Huneifi, the Under-Secretary of Finance and Planning, who said Kuwait would benefit from any rise in the price of the dollar — the currency in which oil payments are made. Cut backs in the official ceiling for oil production have occurred regularly. In April 1980 a 1,500,000 b/d ceiling was declared and in April this year this was cut further to 1,250,000 b/d.

All oil operations are now controlled for the Government by the Kuwait Petroleum Corporation (KPC), an umbrella organization established in 1980 to supervise the oil sector. KPC has locked horns with four Japanese oil importers which together lift 125,000 b/d over the question of premiums. With the Japanese holding out for a discount and suspending liftings, KPC was prepared in August only to offer a partial reduction of \$1.75 a barrel from the present premium of \$5.50 to \$6.00 a barrel.

Such tussles have reduced Kuwait's ability to produce gas associated with crude oil production which is in turn liquefied for export. It is reported in Kuwait that purchases have had to be made

from Saudi Arabia and Australia to supplement supplies needed for long-term contract purchases. Even here Kuwaiti flair has been at work. KPC has been able to buy gas cheaply on world markets at spot prices and then re-sell it to contract customers at higher prices.

The Japanese as a group have been unhappy about such characteristic Kuwaiti sleights of hand. Marubeni Corporation was the first to object to what it considered to be excessive freight charges and indeed forced KPC to climb down. The Japanese buy 80 per cent of Kuwait's liquefied gas of which only 4 per cent is exported to Europe.

KPC as a company has shown something of an international profile. It has entered the energy and minerals exploration business in the United States as an investor with the formation of a company in Phoenix, Arizona, and in fifty-fifty basis with an agricultural products company. Earlier in 1981 KPC entered into a joint venture with Pacific Resources of Honolulu to supply petroleum products in the Pacific. KPC is investing \$185m in this project and promising to

supply half its crude oil needs. KPC is also entering a pan-Gulf project in Bahrain for a hydrocracker at the island's refinery, which has a capacity of 250,000 b/d. In Malaysia KPC proposes to start a joint venture refinery with the national oil company Petronas for a 250,000 b/d refinery near Kuala Lumpur.

KPC has also moved into oil exploration in its own right with the formation of a wholly-owned subsidiary, the Kuwait Overseas Petroleum Exploration Company. KPC's other move was to establish the Kuwait International Petroleum Investments Company, illustrating its desire to concentrate on refining ventures rather than more crude oil.

British Petroleum and Royal Dutch Shell both continue as contract customers although with rather less crude than they would like. BP is lifting 50,000 b/d at the official selling price of \$35.50 a barrel with no extra premium. Shell, which also came to terms in April, is also taking 50,000 b/d at the official selling price with an extra \$2.00 added per barrel. The agreements reflect a desire by the Kuwaiti Government to retain the

good will of the majors continuing in other ways to diversify the spread of their customers.

Kuwait has been adept at finding customers from among the independent oil companies and from developing countries, except at times of severe glut. The Korean Oil Corporation in 1981-82 has agreed to increase its purchases to 125,000 b/d from 100,000 b/d in 1980-81. Companies from South-East Asian countries — especially Singapore, Malaysia and South Korea — now take about 30 per cent of Kuwait's oil output.

Kuwait's biggest efforts at home have been directed towards an ambitious exploration programme, gas gathering schemes and investment in refineries. By 1984 Kuwait hopes to be in a position where the proportion of locally-refined oil products is half total oil output. In 1980, by contrast, more than 75 per cent of crude oil production was exported. The biggest project currently out to tender is a \$800m proposal for the expansion and modernization of the Mina Abdullah refinery.

It follows an earlier award of a \$500m to \$700m contract

for the modernization of Mina Abdullah refinery to Japan's JGC Corporation. Between the two these are the costliest development schemes in Kuwait for some years. The Mina Abdullah expansion has been somewhat delayed but this is because the Kuwaitis have applied fairly rigorous criteria at the prequalification stage. The scheme is now going ahead with bids to be submitted by December 6. The project management has produced a line up of the top design and procurement specialists in the engineering world — Foster Wheeler, C. F. Braun, The M. W. Kellogg Company, Fluor, Ralph M. Parsons, JGC Corporation and Chiyosai Chemical Engineering Construction Company. The race is on, since according to one source, the American contingent will have to "buy the job" to bear the price-conscious Japanese. Although keen to keep prices high they do not wish to jeopardize the stability of world oil and this middle position gives the Kuwaitis a much greater influence within OPEC than their 6 per cent of OPEC production would suggest.

The secret of business success lies in diversity

A flowering of private sector manufacturing industry is still being developed with Petrochemical Industries Company (PIC) currently out to tender for a fourth ammonia line. This contract, for a 3,000-ton day plant, is being competed for by Technipetrol of Italy, Creusot-Loire and Heurtey Petrochem of France, and Mitsubishi Heavy Industries and Chiyoda Chemical Engineering & Construction of Japan.

The emergence of a sophisticated industrial base is expressed more by the medium and small contract awards than by the large government-financed projects. The Kuwait Chemicals Company (KCC) has recently awarded a 4m dinars (\$14.3m) contract to Switzerland's Bertrams to produce a synthetic resins plant. The 16,500 tons a year plant will produce requirements for paint, varnish, adhesive and glass-fibre industries in Kuwait and other Gulf countries, using a process licensed by The Netherlands' Synres International which will also offer technical assistance. Here a local company is involved as a consultant, Kuwait Engineering Operation & Management Company (Kenomac), which has worked in North Yemen will supervise construction.

The strength of the Kuwaiti private sector lies clearly in manufacturing and contracting work for the construction industry. Kuwait's Kirby Building Systems makes pre-engineered steel buildings at the Shuaiba industrial area south of Kuwait city. Established only five years ago the factory has now completed more than 4,000 buildings in the Middle East. At present rates of production it can manage 40 a month. The 1980 turnover was more than 20m dinars (\$71.7m). The Kuwait factory's sign can be seen as far afield as Abu Dhabi lower down The Gulf where Kirby has done the work for the state-owned Abu Dhabi National Oil Company (ADNOC). The ex-

port orientation of Kirby can be seen most spectacularly in the \$14m job it has done for Misr Bank near Alexandria in Egypt. Formerly owned by the American oil firm Kirby Exploration, Kirby is now owned by Al Ghannim Industries, a leading Kuwaiti business house.

Kuwait can be expected to take in services in its drive to diversify. Abdel-Latif Youssef al-Hamad, the Finance & Planning Minister, said in August that he believed the services sector had the greatest potential.

The minister's faith in the local economy has been expressed in a 1981-82 budget where electricity and water take the biggest share of actual expenditure. Heavy demand from industry, which appears to be capable of absorbing every gallon of water and kilowatt of electricity produced surplus to domestic requirements for air conditioning, has brought a ready response from government. There are fewer complaints from industry about government tardiness in supplying services than in many other Gulf states.

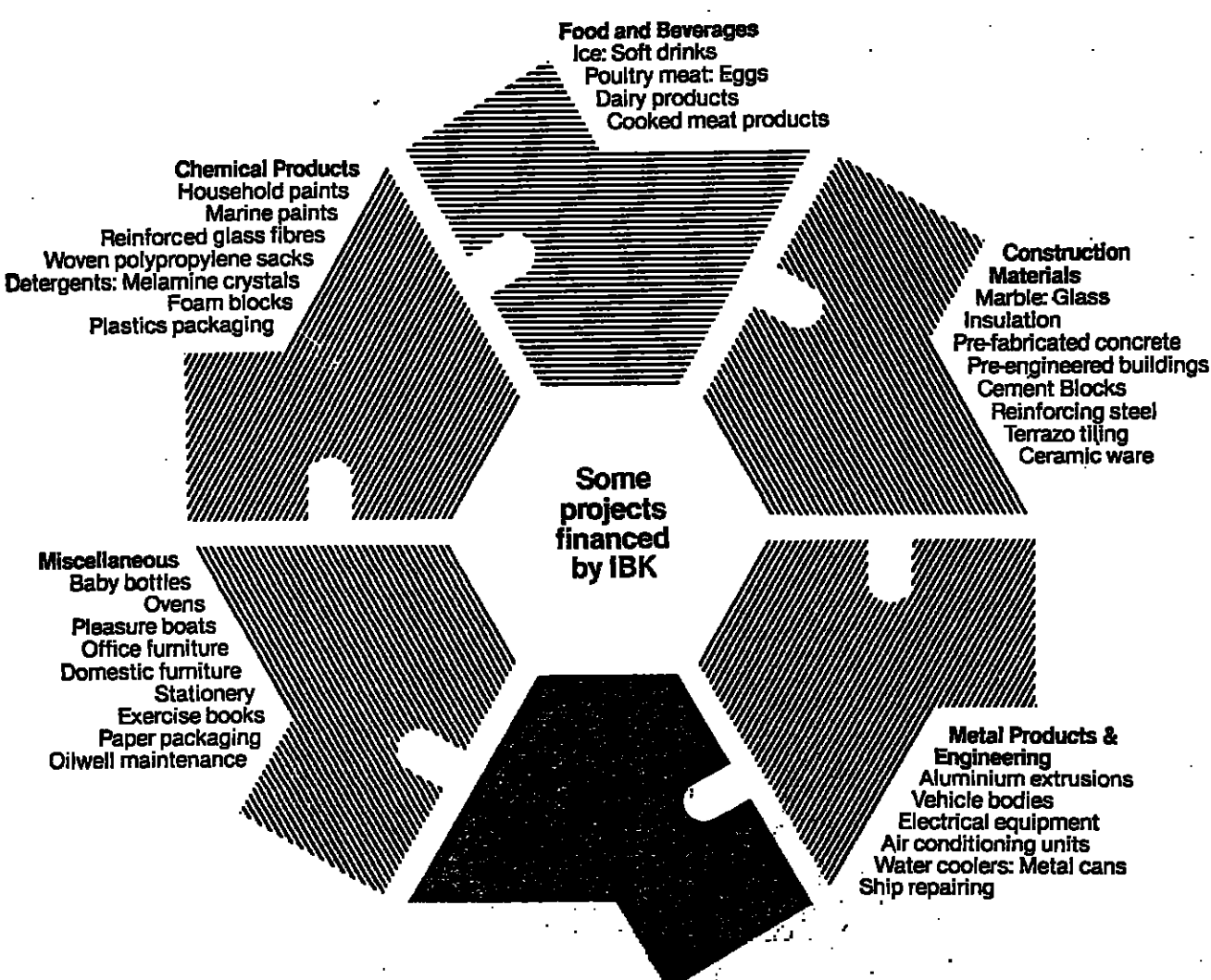
Maintenance and replacement contracts are an area in which the Government hopes that local companies will play a more active role. Refurbishment of government buildings is now generally accepted as the sort of work to be awarded to local companies even where contracts total \$5m or more. When it comes to bigger contracts such as the replacement of roads then contractors such as Khafri International Contractors Group or Fiafi Trading & Contracting can expect a relatively easy race where foreign contractors probably will fall even to the prequalification stage. A local company recently achieved a notable success as a manufacturer by winning a \$18m contract to supply furniture for a large ministries complex. Abdel-Aziz al-Ussini furniture factory beat companies from France, Denmark, Spain, Italy, the United States and Britain in an open tender which 10 years ago would almost certainly have gone to a foreign company.

The deterrent to such investment in the 1970s was always that locally-made products could not compete on price or in quality with the imported item. Such arguments are heard less and less as local companies seek out new technology and apply it to manufacturing ventures at home in Kuwait. If there is any message it must be that diversification of the economy will mean more and more contracts going local.

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The exclusive democracy

Continued from previous page moderate now, but its members are guaranteed freedom of speech in a state which already has few of the trappings of press restraint. There have been occasions elsewhere in the past, as the Kuwaitis are doubtless aware, when a more moderate assembly has found a life and spirit of their own and come to attack the power which founded them.

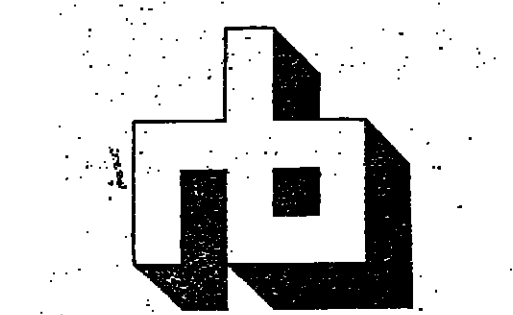
The first short session of the Parliament gave few clues. The majority of its time was spent reviewing the legislation which appeared during the four years of its suspension. The one concrete measure it has taken so far has met with the approval of the Muslim community and the dismay of the Westerners — a further restriction on the supplies of alcohol to foreign embassies, still the only wet spot in a dry and, to Western eyes, rather dull postscript.

It may be popular with the locals, but such a measure hardly seems the raison d'être of a large elected body backed up by an equally large and expensive secretariat. The majlis resumes on

October 20 and has promised so far only to continue to monitor legislation passed during its absence and to take a fresh look at the 20-year-old constitution.

However, it should not be long before new topics arise. The young and well-educated Parliamentarian represents, to a large extent, the new Kuwait. He is someone who may not challenge the Amir's influence, but does see anomalies in the ways of the state.

A young and educated middle class comes to view the traditional Arab treatment of women with misgivings. With more and more female technicians and civil servants, the question of emancipation will loom large in informed discussions on the country's future. Another topic which at some stage will exercise the majlis's attention is nationality, a difficulty which is now exercising all the Gulf states which have imported ever-increasing numbers of disadvantaged immigrants to the extent that they now seem to dominate many sections of commercial life.



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KUWAIT

The appointment of Mr Abdel-Latif Yousef al-Hamad as Finance and Planning Minister has had a marked effect on the financial sector, Michael Petrie-Ritchie reports. In a second article he analyses Kuwaiti investments in the Arab world.

A surge of confidence despite the war on the doorstep

Kuwait has steered clear of the overbanking problems that have bothered some other Gulf countries. The bank sector is dominated by six national commercial banks. This compares, for example, with more than 50 commercial banks in the United Arab Emirates which has a smaller population than Kuwait. Moreover, there is certainly no room for foreign banks in Kuwait, Abdel-Latif Yousef al-Hamad, the Finance and Planning Minister, says. "If we needed bank services we have the resources and capability to establish national banks".

Resources and capability are two things that Kuwait is not short of. Free of foreign competition, the national banks have grown steadily in recent years both in terms of assets and liabilities, and experience. At the end of 1980

the banks' consolidated balance sheets totalled almost 7,000m dinars (\$25,180m) — a 29 per cent increase from 1979.

The vast funds managed by the banks have seen them become active in the international markets and Kuwaiti bank names are now a familiar feature on many of the tombstones that publicise international syndications in the press. Most of the banks are equipped with the latest technology and it is with some justification that Kuwaiti financiers proudly declare their financial sector to be "the most sophisticated in the Gulf".

In 1981, the six banks — National Bank of Kuwait, Commercial Bank of Kuwait, Burgan Bank, Al Ahli Bank of Kuwait, Bank of Kuwait and the Middle East and Gulf Bank — have been largely

preoccupied with business in the domestic market. "We can make much more money in the local market than overseas", a local banker said. "What could be better than to be busy in one's home market?"

Real estate development and stock market speculation have absorbed much of the banks' funds. Prime building land in the city's commercial area has a value as high as that in any Western capital and the stock market has been having a boom year with turnover for 1981 expected to exceed the record 1,800m dinars (\$6,475m) set in 1979. By mid-1981 turnover had almost equalled the 1,300m dinars (\$4,672m) total reached in 1980.

The poor spreads available in the Euromarkets has been an additional factor in deciding most of the banks to

deploy their resources in Kuwait. But the surge in local financial activity is remarkable for the fact that Kuwait has for more than one year been in the shadow of the Iran/Iraq conflict, only some 60 miles to the north of Kuwait City.

Capital is highly sensitive and on occasions, such as the Iranian revolution, there has been a flight of funds from Kuwait. Now, local businessmen say they have learned to live with the nation's vulnerability to external forces. This vulnerability was underlined in late September when Kuwait alleged that Iranian aircraft had bombed oil installations in the north of the country, apparently as a warning about Kuwait's continued support for Iraq.

The appointment in March 1981 of Mr al-Hamad as Finance and Planning Minister has had much to do with increasing confidence in the local market. In the previous 19 years, al-Hamad had built the Kuwait Fund for Arab Economic Development into one of the most respected Arab aid organizations with a reputation for neutrality and independence from the government. He was instrumental, with Willy Brandt and Edward Heath, in drafting the Brandt Report and was once tipped as a future head of the World Bank.

Despite a clear commitment to free enterprise, the 44-year-old al-Hamad is unlikely to remove the 10 per cent ceiling on interest rates, fixed by the Central Bank of Kuwait. "We try as best we can to use this instrument to reduce the inflationary effect on the economy," he says.

The interest rate ceiling, plus a lack of exchange controls, posed some awkward problems for the Central Bank when interest rates overseas reached 20 per cent, thus making it attractive to borrow in Kuwait and deposit abroad. This resulted in recurring liquidity shortages in 1979 and 1980 and spurred the Central Bank to tighten its control.

Domestic liquidity has improved considerably in 1981. Only a month after Al-Hamad's appointment it had risen to 3,000m dinars (\$10,792m), compared with 2,523m dinars (\$9,077m) a year earlier. Like most Gulf oil states, the economy is almost totally dependent on government expenditure and many Kuwaiti financiers are convinced that al-Hamad is prepared to "test the market" by injecting more funds into the economy to see how well they can be absorbed.

One of al-Hamad's major actions to date has been the re-opening of the dinar bond market, the Middle East's most important capital market, after a suspension of more than a year. The first to go ahead, in early August, was a 7m dinars (\$24.6m) issue for the city of Stockholm, for 10 years with a 10 per cent coupon.

Two months earlier al-Hamad had permitted for the first time a syndicated loan to be partly denominated in dinars. Interest rates on the \$250m loan, for Yugoslavia, were half those payable on Eurodollar deposits, making it an attractive proposition for the borrower. Al-Hamad said he would allow more such loans "to our friends, such as Yugoslavia".

If bank building programmes are anything to go by, the financial sector is looking forward to continued prosperity. Al Ahli Bank is building a 20-storey tower for occupation in 1984. Bank of Kuwait & the Middle East is to move in 1983 to the huge joint banking centre it will share with the Industrial Bank of Kuwait and the Kuwait Real Estate Bank, and both Burgan Bank and National Bank are reported to be looking for sites for new head offices. The stock exchange, too, is scheduled to move in 1983 from a dingy basement to a spectacular complex in the heart of the commercial area.

The author is on the staff of Middle East Economic Digest.



Kuwait bank counter — for women only

Spreading investments around the world

Kuwait's shrewd approach in investing its sizable surplus of capital is shown in the comparatively small portion of its financial assets that are held in the Arab world. Although 27.6 per cent of Government's total financial assets at the end of 1979 were invested in Kuwait, the rest of the Arab world accounted for only 5.2 per cent of the total.

While the developing countries pose a greater risk through political instability than the developed countries of the West, where the bulk of Kuwait's financial assets are held, the Government is acutely aware of the benefits of diversification. "We like to have our investments in as many markets as possible. We try to spread our risks in as many sectors as possible", Mr al-Hamad, the Finance and Planning Minister says. The realization that assets held in the West were also vulnerable to political developments was brought home by the American freezing of Iranian assets at the start of the hostage crisis in November 1979.

Kuwait's familiarity with the economic scene in the Middle East region is provided through the 19 years' experience of the Kuwait Fund for Arab Economic Development (KFAED). The fund is generally regarded as one of the most sophisticated Arab aid agencies. KFAED has assisted 177 projects in 62 Middle East, African and Asian countries and is about to put into effect a plan to move into the Western hemisphere, starting with the Caribbean region.

A typical KFAED loan is a recent one to Pakistan to help finance a \$65m natural gas pipeline. KFAED has loaned \$32m for 20 years, with four years' grace, at an annual interest rate of 3.5 per cent, plus a yearly administration

fee of 1/8 per cent. KFAED's funds have been well employed in several of the poorer Arab countries and, in view of this year's doubling of its capital to 2,000m dinars (\$7,326m), its involvement is likely to increase. A major vehicle for investment in the Arab world is the Kuwait Real Estate Investment Consortium (KREIC), capitalized at 11m dinars (\$39.6m). The company's role is "to serve the question of Arab investment in general and to serve the aims of Kuwait in particular," says Ahmad Ali al-Duaij, the KREIC chairman and managing director. He hopes the company will grow to achieve what was thought to be impossible, namely to receive reasonable financial benefits from investments for which the principal aim was political gain.

The company was set up in 1974 but relaunched a year later with new shareholders including the Finance Ministry and the Government's Public Institution for Social Security. Other shareholders include the three Ks — Kuwait Investment Company, Kuwait Foreign Trading, Contracting & Investment Company, and Kuwait International Investment Company. To date KREIC has participated in joint development companies set up by Kuwait in Morocco, Tunisia and North Yemen, and has other extensive interests in Egypt, Saudi Arabia, Jordan, Syria, Lebanon and Bahrain. In Morocco, for example, KREIC has a 7.14 per cent stake in the Moroccan-Kuwait Development Company which is 64.3 per cent owned by Kuwaiti interests. The development company has large property holdings, and shares in three tourism companies, two petroleum firms, a cement

plant and three other factories.

The inauguration of the Sanaa Sheraton hotel in the north Yemen capital in January 1981 revealed another example of Kuwait's investment in the Arab world. The hotel is owned largely by the Yemeni-Kuwaiti Real Estate Development Company which has also financed a luxury housing project in Sanaa and a commercial centre comprising six multi-storey buildings, and the Yemen Cinema Company's recently completed two cinemas and commercial complex. Future projects for Kuwaiti finance include the construction of more hotels and the establishment of a Yemen Construction Materials Company with a \$22m capital.

The increasing amount of private sector funds have been attracted by investment opportunities in the United Arab Emirates, particularly in the poorer northern emirates. Kuwaiti money has backed a cement company in Ras al-Khaimah and a new luxury hotel in Sharjah. Also in Sharjah, a 100-bed hospital, part owned by Kuwait Financial Centre, became the UAE's first private hospital when it opened in September.

Kuwait's investments in the Arab world undoubtedly earn it a great deal of political goodwill from the host countries. But in the longer term, the risk factors weigh heavily in favour of a continued reliance on Western markets. Kuwait's investment strategy has changed little since it was formulated several years ago by Khalid Abu Saud, now adviser to the Amir, Shaikh Jaber al-Ahmad. The strategy, Abu Saud said, is to secure "tangible, non-risky, long-term investments with a reasonable yield, keeping in mind the need for future generations".

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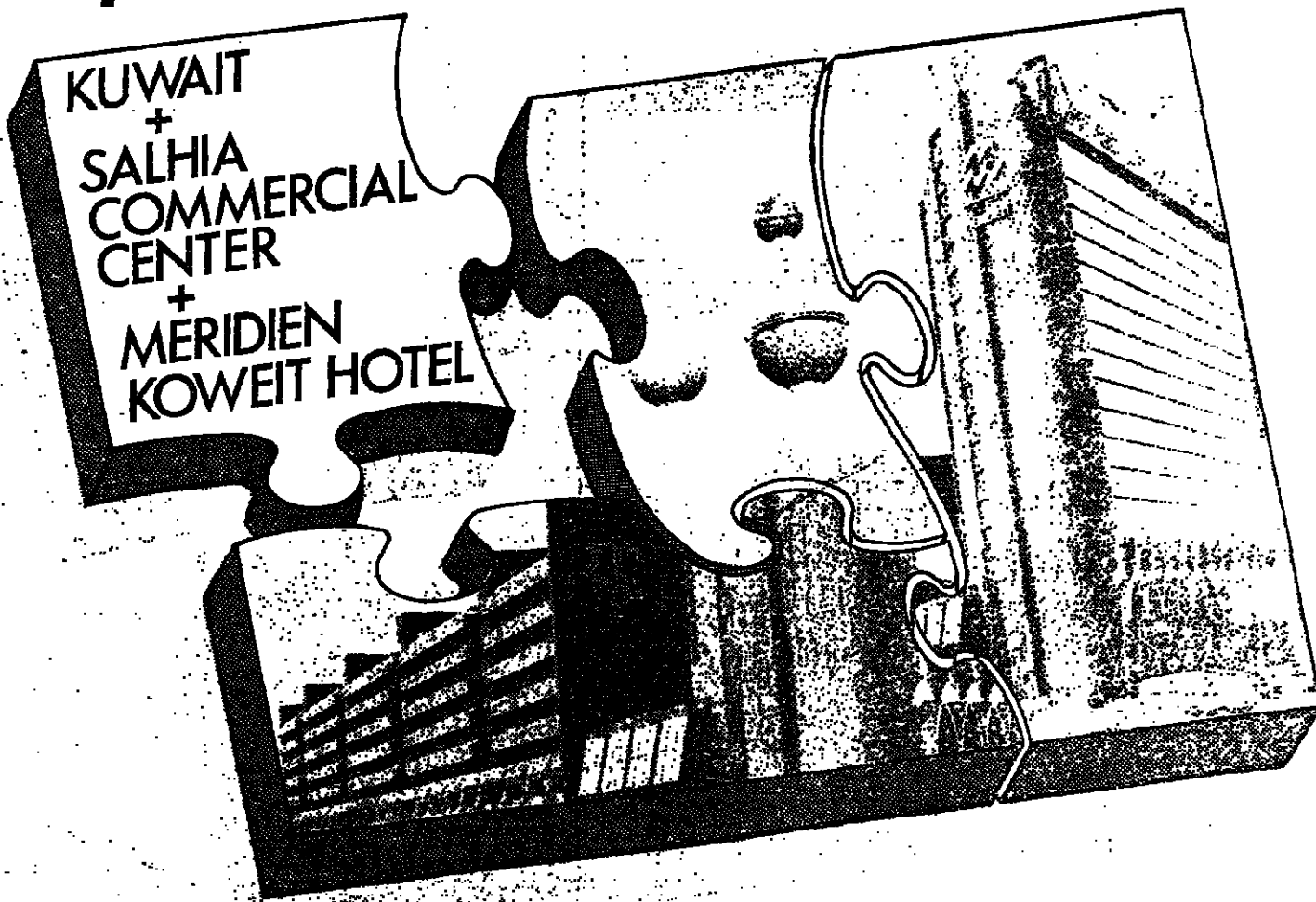
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Life in Kuwait: Sarah Searight outlines the way people are looked after, and special correspondents report on the race to meet enormous demands for electricity and on steps to develop solar power.

Welfare: the caring state

Forty-four Rolls Royces were sold to Kuwait in 1980; 1,300 video sets arrive there monthly from Japan. The fact that Kuwait is one of the wealthiest countries in the world often obscures the fact that it is also one of the leading welfare states, sustaining its paternalist desert heritage in looking after its own.

The population of Kuwait is 1,300,000, of which about 41.5 per cent is Kuwaiti. There are three tiers of inhabitant: the Kuwaiti citizen who comes in for a wide range of free benefits; the non-Kuwaiti Arab who benefits to some extent by the Government's desire to be generous to its Arab brothers; and the non-Arab benefits only by employment. This was sufficient blessing in the past but leads to conspicuous inequities and governments throughout the Gulf are anxious to isolate potentially dangerous envy. Kuwait is no exception.

The most impressive branch of government activity is health. Before oil develop-

ment small pox and tuberculosis were endemic, health education non-existent, hygiene poor. Kuwait's first hospital was built in 1913 by American missionaries, who added a hospital for women four years later, but there was little further expansion until the 1950s when the provision of a comprehensive health service was high on the list of government priorities.

Now it is in evidence, white and sanatorized, throughout the country. Within 10 years of the first export of oil Kuwaitis had clinics, sanatoria and a new general hospital fitted with the most advanced equipment. There are general clinics at suburban shopping centres, ante-natal clinics and family planning clinics. The expansion has continued through to this year: in February the Amir of Kuwait opened Al-Adan Hospital and five affiliated units providing another 2,000 beds and a helicopter pad for bringing in remote cases.

The main headache has

been staffing the facilities. The Government favours Arabs as immigrants over other nationalities but few Arab countries have doctors and nurses to spare. Egyptians have filled many of the gaps and the health authorities have a mission looking for 500 Egyptian nurses at the moment. Self-sufficiency is a long way off although an agreement has just been signed with the United States for hospital management training and quality control programmes in hospitals. Foreign specialists are flown in for limited periods each year and the Government will subsidize Kuwaitis seeking treatment abroad. More and more Asians are staffing the expanding network of facilities.

Housing has been another major field of government activity. One large suburban, Kuwait City, contains most of the country's population; most of the rest are in Fahalil and the Kuwait Oil Company's town of Al-Ahmadi to the south.

Since the 1950s there has been separate urban development for Kuwaitis and non-Kuwaitis. Flat-roofed two-storey houses have been allocated to low-income Kuwaitis at highly subsidized prices and on easy credit terms. About 100,000 families have benefited from these schemes. There is a Rural Housing Scheme for the beduin, many of whom come from outside Kuwait's borders. In the next five years 36,000 houses are to be built — 24,000 for lower income groups (there are easy terms also for higher income groups), as well as 186 schools, 101 mosques, health and recreation centres.

Immigrants are obliged to live in neighbourhoods specified according to Arab and non-Arab and the latter subdivided according to nationality. Many live in high-density apartments, especially in Kuwait City, or shanty settlements adding to the urban sprawl, erected by the contractors who brought them to Kuwait in the first place. They look enviously at the better housing of Kuwaitis.

Education has also been an obvious priority, with the need to make Kuwait less dependent on foreign expertise. Schooling is now compulsory between the ages of six and 14. The University of Kuwait was founded in 1966 and now has 10,000 students of whom over half are women. A major problem has been to reach the illiterate tribesmen who have moved into Kuwait to taste the pleasures of prosperity. There are now adult literacy centres throughout the country where any illiterate in government employment must register. Only lack of staff prevents the net being widened.

The Government is also involved in other areas of social activity. It provides special transit camps for the annual pilgrimage to Mecca and subsidizes a mobile hospital unit with the pilgrims. It subsidizes the arts, radio and television and such recreational facilities as public beaches, ice rinks (all the rage in that climate) and bowling alleys.

The immigrant benefits from subsidies on basic necessities such as water, electricity and gasoline, as well as many essential foods, but he is excluded from subsidized housing, education and health. A foreign worker must earn \$1,411 a month before he may bring his family into the country, but over half the foreigners are employed in construction and earn less.

This "regional chauvinism", as the arrangement has been called, is found throughout the Gulf. It remains to be seen whether this system of isolating the bulk of the labour force from an otherwise bounteous welfare state can be made to work over the long period during which Kuwait must inevitably be dependent on foreigners.

A switched on state

Kuwait's 1,400,000 people are among the world's heaviest users of water and electricity. As summer temperatures soar air conditioners hum for 24 hours a day. Campaigns to encourage consumers to save it have had little effect. As a result the Electricity & Water Ministry's budget has risen from 30m dinars (\$106m) in 1979-1980 to 342m dinars (\$1,203m) in 1981-1982. The Ministry is already absorbing 11.4 per cent of the state's budget compared to only just 1 per cent in 1979-1980.

Of the Ministry's total budget in 1981-1982 more than 300m dinars (\$1,056m) will be spent on capital projects. Part of this will go on the huge Doha West power station which has eight 300 MW generators and will be financed by West Germany's Deutsche Babcock in 1982. The emphasis for the immediate future will be on the distribution network for which tenders and contracts are being regularly in the official gazette.

It is likely that in 1981-1982 work will start on a 1,800 MW power station at Al-Julaia for which a prequalification call went out in August, 1980. Al-Julaia is something of a jumbo project. The prequalification was for two tenders: one to supply six steam generators of 300 MW and 12 distillation units, each capable of producing six million gallons a day. The other was for turbine generators each with a capacity of 300 MW.

With the 2400 MW Doha West station on stream in 1982 the Al-Julaia facilities would bring installed capacity to more than 6,600 MW. This will help to meet an expected peak demand of 5,450 MW by 1990. The extent to which even a programme as expensive as this has failed to keep pace with summer demand is shown by the extra contracts which continue to appear in the Ministry's programme for standby facilities. In July 1980 a fire at the South Shuaiba power station undermined the lack of reserve generating capacity and led to rotating power cuts.

Emergency spending of the sort necessary to sort out the Shuaiba fire has swollen the budgets considerably in recent years. It is known that many government officials would like to see Kuwait taking up nuclear options for its future power needs but it is felt that the political climate in the Gulf would probably result in complications in buying the technology from Western nations. The chances are much more likely that Al-Julaia, the successor project to Doha West, will proceed on conventional basis.

The Ministry's capital budget represents more than half the expenditure allocated for civil development schemes in

the national budget. A typical recent contract was won for \$13m (\$24m) by British Insulated Callender's Cables for supply of cable. BICC has performed creditably in a market where competition from the Japanese, the French and West Germans is intense.

The reservoir building programme has brought British participation. John Taylor & Sons is consultant for the Shuaiba water distribution complex. The 100 million gallon a day complex with storage tanks with a 300 million gallon capacity, is to cost 15m dinars (\$53m) and tenders are expected at the end of 1981.

Biwater Shellbear is working on two contracts, together valued at 14.8m dinars (\$53.4m) for six small reservoirs for which the consultant is Britain's Posford, Pavry & Partners. Biwater Shellbear's achievement in getting into this market is all the more remarkable in view of the competition for the projects. Shellbear is competing

with 14 other international firms, as well as four local companies, for three additional 56 million-gallon reservoirs.

The big contract award of 1981 has been to the Japanese joint venture of Sasaki Engineering Company, Mitsui & Company and Mitsubishi Heavy Industries for 108.4m dinars (\$393.5m) for 12 desalination units of 7,200,000 gallons a day capacity. The closest competitor was Italy's consortium of Ansaldo and Tonoli. The contract award took place against a background of concern by the Ministry at rising prices.

The payments atmosphere in the Ministry is generally good. Companies such as Sasaki are generally able to make arrangements with their bankers to sell forward the dinars in which the Ministry makes payments. This means that the contractor is immune from foreign exchange fluctuations since he has contracted in advance with his bank to transfer the funds at a fixed rate on named days.

Since Kuwait follows the

practice of publishing all tenders and bids for civilian projects in the Official Gazette, together with the reasons why companies fail to prequalify, the market is undoubtedly a fair one. The spread of companies working on the distribution network is international. Cable supply involves not only BICC but the Japanese companies Showa and Furukawa Electric and Italy's Industrial Firelli. South Korea's Kolon Electric Machinery is also involved.

The Government is also willing to consider alternative energy. A 100 MW solar power station has been established by the country's best-known research body, the Kuwait Institute for Scientific Research. It is being built by the West German firm, Messerschmitt Bolkow Blohm, but is wholly financed by the Kuwaitis. It will provide water and electricity for an agricultural complex. Sun power is not seen as a panacea for Kuwait's energy problems but it may make a contribution, particularly for supplies to isolated communities.

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Using the sun to cool down

Oil is not Kuwait's only plentiful source of energy, just the key which has been harnessed so far. Sun is guaranteed in the state most times of the year. Only in the Sahara and the more remote parts of Saudi Arabia are there higher levels of solar radiation.

Along with other Gulf states, Kuwait is increasingly worried about what happens, in that well-worn phrase, when the oil runs out. The sun is an obvious source to turn to, and Kuwait's Institute for Scientific Research is earning itself a solid reputation as one of the most active academic establishments in solar energy.

Its most obvious success so far is the construction of a primary school cooled entirely by solar energy. Dr Atif S. Debs, director of KISR's engineering division, which controls all solar energy projects, says the system has been running effectively for six months and has not encountered any serious technical problems.

But when it comes to saving energy spent on air conditioning, the group has had to maintain its priorities. Appealing as solar systems might be in technical terms, savings of 50 per cent can be effected in ordinary air conditioning schemes simply by insulating the building properly.

Of more lasting scientific interest to KISR is its solar house project based by its Kuwait City headquarters, and already a great source of curiosity for overseas visitors.

The building is split into two units, a living space and a machine room. Conventional energy-saving devices were installed from the start, such as thermal insulation and double glazing.

A lithium-bromide absorption cooling system delivers chilled water to cool the air inside the house, and the sun is also used to heat domestic hot water. The domestic water system works off water-to-water heat exchangers and air-water heat exchangers, while the living space is heated, when necessary, by hot air delivered from solar

air collectors and a water-air exchanger. A thermal rock storage system is used to store energy during periods when solar radiation is low.

The development of solar energy techniques is not simply a matter of inventing more efficient versions of hardware. A lot of work is also going on to test the feasibility of using integrated systems — two different but compatible systems — to one end.

In the case of Kuwait, for instance, this could take the form of a desalination plant, a simple flash system which works efficiently but requires an outside power source to maintain a vacuum in the process.

If another solar unit can be built to provide that electricity, the inventors should find themselves with an integral system which would work efficiently in remote areas with little maintenance.

A more advanced integral system could provide all of a village's water and energy needs from the sun. KISR hopes to have the first version of such a system working within two years.

Another use for integral systems would be in agricultural complexes, where they could be used to provide fresh water and ventilation for green-houses, a use which is particularly attractive to Kuwait, situated as it is in an arid and barren part of the world but with ready access to salt water.

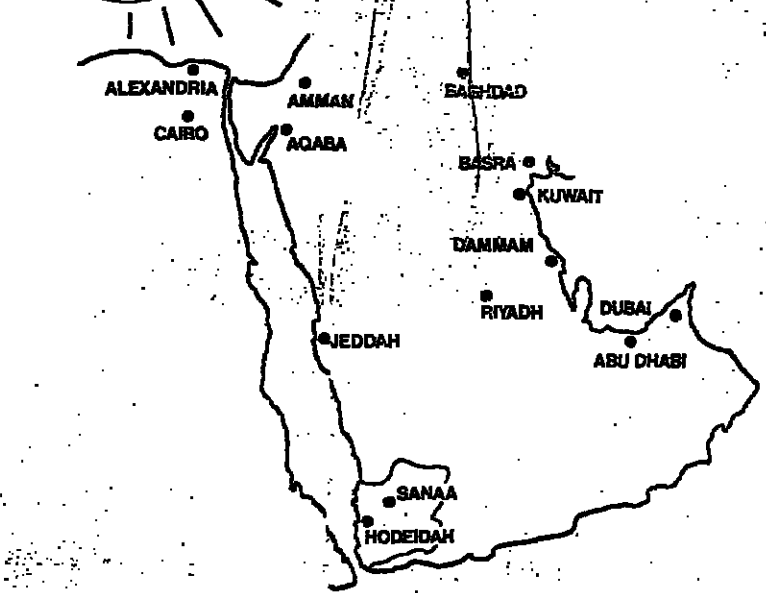
KISR is working on a five-year plan with the aim, at the end of that period, to be able to produce the most commercially viable solar cooling system suitable for Kuwait.

Solar power has come to be regarded as one of the most important projects being undertaken by KISR, itself a growing focus of scientific interest within The Gulf. The project has a \$2m budget and is probably as important to the institute as food technology.

In a land where convenient sources of food are scarce, this shows that for Kuwaitis, the phrase "when the oil runs out" is not to be taken lightly.

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summarized balance sheets

	End 1970	End 1980
Year of operation	3	12
Capital	2,000	15,000
Capital & Reserves	2,357	53,377
Deposits	63,714	980,341
Advances	34,957	385,043
Counter-accounts	41,353	280,478
Total Balance-Sheet	114,905	1,301,696
Net Profit	756	4,078

(figures in thousands of Kuwaiti Dinars)
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Trading and ships form an essential part of Kuwaiti life. Sarah Searight traces the centuries-old seafaring tradition and Tim Owen analyses the enormous expansion of the ports of Shuwaikh and Shuaiba

Seagoing skills

You can sense the sea most of the time in Kuwait. Coming in from the airport along the corniche of Arabian Gulf Street you will see a lying flat and colourless beyond the cars, and the humidity of urban Kuwait never lets you forget it. Kuwait Bay, on the southern shore of which sprawls Kuwait City, has always been one of the finest natural refuges for shipping in the Gulf and the development of modern Kuwait has mostly occurred along the country's long shoreline. Likewise the sea has dominated much of the country's history.

Just off the coast facing Kuwait City lies the island of Failaka, one of a group of low-lying, scrub-covered islands where Danish archaeologists have excavated links with ancient civilizations 4,000 years old. From 3,000 to 1,200 BC a community flourished on the island, a stage on the trade route between Mesopotamia and the Indian valley.

The island's dependence on the sea continues; there is still an old fishing town on the island, a cluster of low, mud-walled houses which serve as a reminder of what Kuwait City itself looked like 40 years ago. Now a fast ferry service links Failaka with the mainland, bringing a new kind of development in its wake. Leisure-hungry and sea-loving Kuwaitis flock to its beaches and a holiday chalet complex is planned: 300 chalets, a hotel, pools and a supermarket. Failaka will flourish again to the detriment only of the flocks of birds which have hitherto been the most numerous occupants of the island and the neighbouring flats.

The past is more recent on the mainland. Drought inland in the early eighteenth century brought fishermen to the shore about 1710. By 1764, when the Danish traveller Karsten Niebuhr was there, he found a population of 10,000 involved in fishing and pearling, with a fleet of 800 boats. When Persia occupied Basra in 1776 many merchants moved to Kuwait, and the East India Company, disturbed by the anarchy in southern Persia, began using Kuwait as a post on its overland mail route between India and Aleppo.

It also became an important stage on the desert caravan route from central and even southern Arabia to Persia and India. Throughout the nineteenth century Kuwaitis were renowned for their boat-building skills, which in turn led to their success as merchants and traders.

Dhows are still built at Doha on the north side of Kuwait Bay. A hundred years ago the largest ones — bums — were ocean-going and set out early each autumn on trading voyages of thousands of miles, lasting six to eight months. Some were as large as 300 tons. They brought

dates and fresh water from Iraq, salt from Aden, wooden roofing poles from Zanzibar and other wood, mainly teak, from India to be used for building yet more boats. Nowadays they are motorized. But their continuing presence is a reminder of the vast pool of the Indian Ocean of which the Gulf has become the centre.

Other dhows were used for pearling. This was never a large-scale industry as on Bahrain but in its heyday, at the turn of the century, 15,000 men were employed as divers and crewmen — up to 200 per boat, always in the height of the summer. The oyster was a dangerous treasure and occasionally its retired seekers, crippled by trachoma, weakened lungs, rheumatic limbs, can be seen hanging round the dhow harbours. The first full-length film made in Kuwait a few years ago was about pearling, suitably titled *The Cruel Sea*.

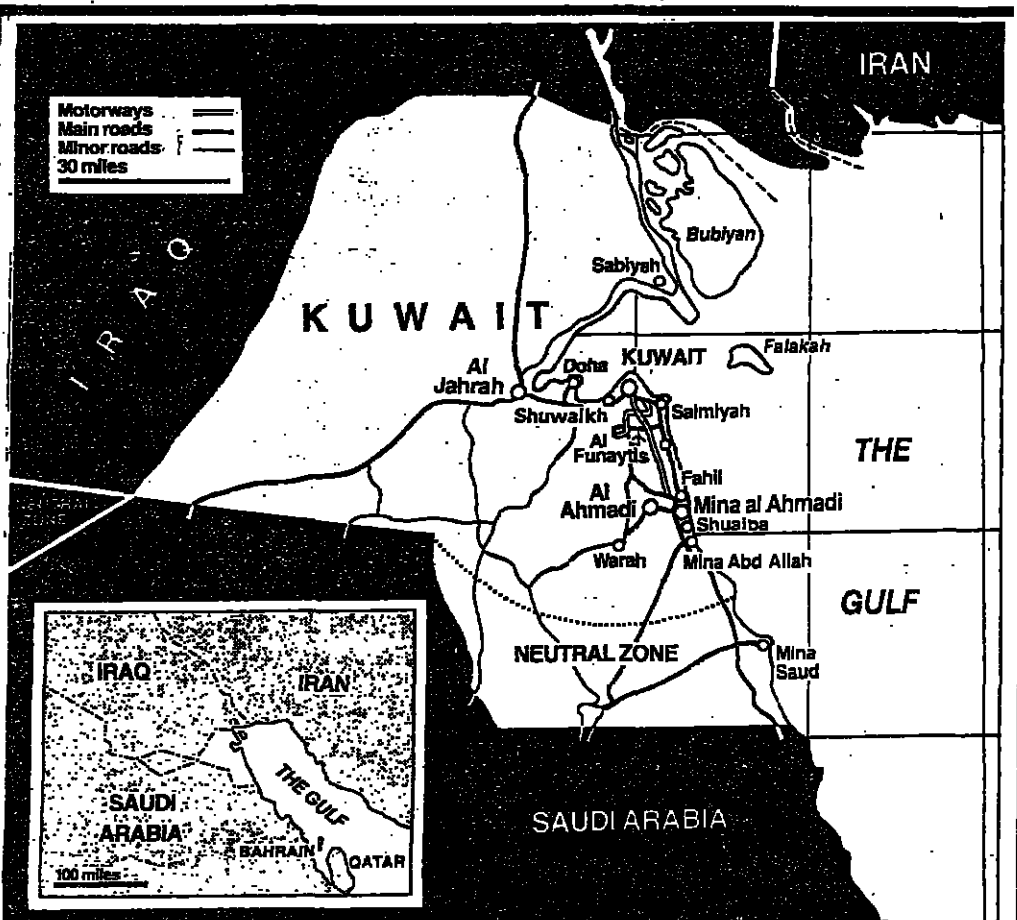
The industry collapsed with the appearance of the Japanese cultured pearl in the 1930s, bringing great hardship, until oil began to flow in the 1950s.

Nowadays the sea plays a kinder role. The centre of Kuwait City curves along Arabian Gulf Street, a traffic-filled corniche of multi-storey buildings that stare disdainfully over a string of dhow harbours. Farther away from the city centre are public beaches and gardens, marinas and — down south — exclusive clubs. Recreational facilities are subsidized by the Government or private companies. There is even talk of a Disneyland on the north shore of the bay (Mickey Mouse disguised as a gerbil?).

A more recent use of the sea has been fish farming. Pollution and population have run down fish stocks all over the Gulf but the Mariculture and Fisheries Department has built up a thriving trade in

home-grown fish. Huge shrimps are the department's succulent speciality but they also farm grouper, bream and grey mullet. The University of Miami is helping with two two-year projects to study fish ecology and there is an aquaculture demonstration station at Al-Khuran in the south.

More than any other Gulf Arabs the Kuwaitis have kept up their old partnership with the sea. They are developing modern marine skills. Ship-repairing and ship chandlery help to diversify the economy; earlier this year the Government gave its permission for the establishment of a Kuwaiti shipping company with world-wide links. Traditional skills are demonstrated not only in the fixing of the great teak timbers to the ribbed skeleton of the dhow but also in the entrepreneurial skills of the post-oil generation. The Kuwaiti merchant knows his sea.



The water gateway to big business

The face of Kuwait and its shoreline have changed out of all recognition since 1957, when I investigated the shoreline at Shuwaiba as a possible location for beaching tank landing craft. At that time a potential military threat to Kuwait, then under British military protection, was foreseen. The threat did indeed materialize in 1961, but the tanks were landed in Kuwait Bay at Shuwaiba. Now there are large modern ports, both at Shuwaikh and Shuaiba.

The port of Shuwaikh lies at the western end of Kuwait City, which now has a sea frontage of 24 miles, extending along the southern side of Kuwait Bay. It was first developed as a modern port at the end of the 1950s and early 1960s. Before the construction of the first deep-water berths ships had to lie in an anchorage several miles offshore in Kuwait Bay to offload their cargoes. It was also the site of the first power station and fresh water distillation plant in Kuwait.

At present the port has 18 deep-water berths of 183-metre length and 10-metre draught as well as three shallow berths. Surprisingly Shuwaikh port has as yet no full container handling facilities. Two berths are designated as container berths but are equipped with a 30-ton capacity mobile crane only. The installation of the first

container gantry crane is expected shortly. It will be at least three years before there is a purpose-planned container terminal.

The effects of the Iraq-Iran conflict have increased the pressure on Shuwaikh port enormously. As the port is hemmed in by Kuwait University to the west and flour mills and a power station to the east, expansion has had to be met by land reclamation. Over an 18-month period one million square metres have been added, and a further 120,000 sq metres is at present being reclaimed, all at a cost of \$37m.

The present five-year expansion plan allows for an additional nine deep water berths, adapted to roll-on, roll-off (ro-ro), and container traffic. Warehousing capacity has to be increased and improved, and there is an urgent need for improved road links; there are at present appalling bottlenecks. Shuwaikh Bay has to be dredged and developed, and it is proposed to solve the road problem by building a causeway across the bay to link the port with Ras Ashair, where warehousing could be constructed with connections to the neighbouring roads to Iraq and Saudi Arabia. Associated Marine Consultants of Holland are the consultants for the port's north-east expansion scheme, which is expected to cost about \$200m.

More than three million tons of cargo were offloaded in the first six months of 1981 in Shuwaikh port, and in January transit trade increased by 75 per cent over December 1980, although overall imports dropped by 27 per cent over the same period. The increase of transit traffic was because of the Iraq-Iran conflict and the fall in overall imports was due to a slackening of trade in Kuwait.

Unlike Shuwaikh, which is a cargo port, Shuaiba is intended in the long term to be developed industrial area of Kuwait. The first and second stages of the port, with a total of 15 berths, were completed in 1980. The third stage will bring the total up to 20 berths.

The industrial area is to be sited near the port of Shuaiba, but is still very much in the planning stage and is to be developed by the private sector. The main purpose of the port will be to handle bulk raw materials for the various projects planned for the industrial area. Meanwhile it

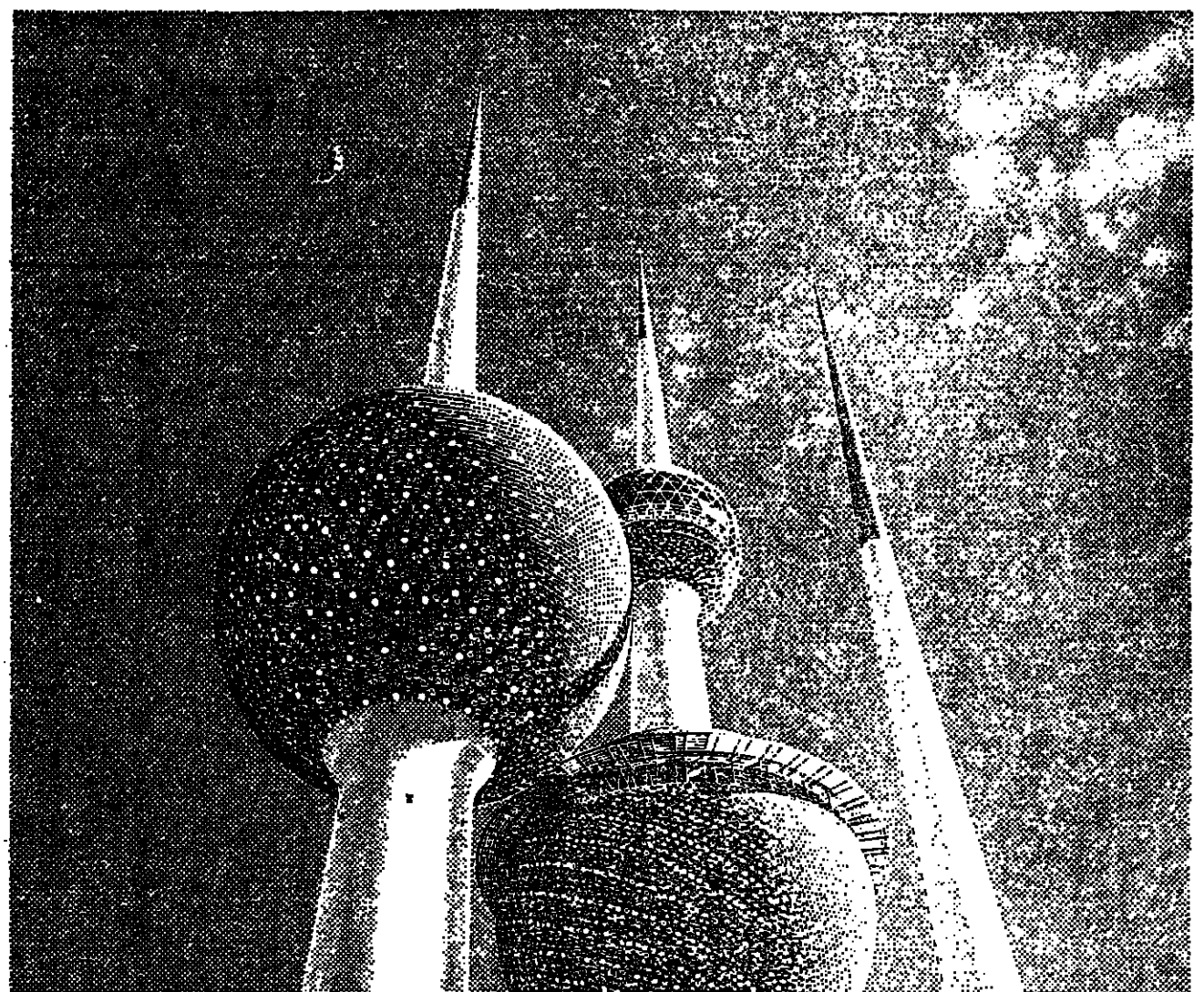
is obvious that the existing port facilities at Shuaiba far exceed requirements. In this respect the present conflict between Iraq and Iran is fortuitous.

The pressures on the Iraqi ports of Basra and Umm Qasr, which led the Iraqis to approach the Kuwaitis for transit facilities at the port of Shuwaikh, preceded the outbreak of hostilities between Iraq and Iran. Towards the end of 1979 the Kuwaitis allocated two berths to the Iraqis under stiff conditions, as they were anxious that the port should not be clogged up with Iraqi cargo. Thus Iraqi cargo for Iraq had to be offloaded directly onto trucks and not stored at Shuwaikh.

However, the outbreak of hostilities between Iraq and Iran greatly increased the pressures on Iraq and Kuwait has relaxed its restrictions. In addition to the two berths at Shuwaikh the Kuwaitis now permit the Iraqis to use up to five berths at Shuaiba for transmitting cargo, and some Iraqi cargo has been allowed to be stored at both ports. The transportation of Iraqi cargoes from the Kuwaiti ports is now flourishing business for transport companies and they have established their own inland terminals for cargoes transported direct from the ships.

After being closed to maritime traffic for a year, because of the Iraq-Iran war, the Shuwaikh-Al Arab has silted up to such an extent that it will require a vast amount of dredging over a lengthy period before it is open to merchant shipping again.

Discussions have been proceeding for some time between the Iraqis and the Kuwaitis over the construction of a rail link between the port of Shuwaikh and the Iraqi rail system. Transmark, the consulting branch of British Rail, has been undertaking a study for this project on behalf of the Kuwaiti Government. There are political implications in this project and the Kuwaitis insist that it should be part of a larger scheme to extend the rail system into Saudi Arabia. Ultimately it is hoped to link the whole system to the Turkish railway system. Not everybody is aware that Kuwait has already developed a considerable reexport trade to Saudi Arabia as well as to Iraq, and sees itself as having a permanent future role as a transit gateway to these countries through the ports of Shuwaikh and Shuaiba.



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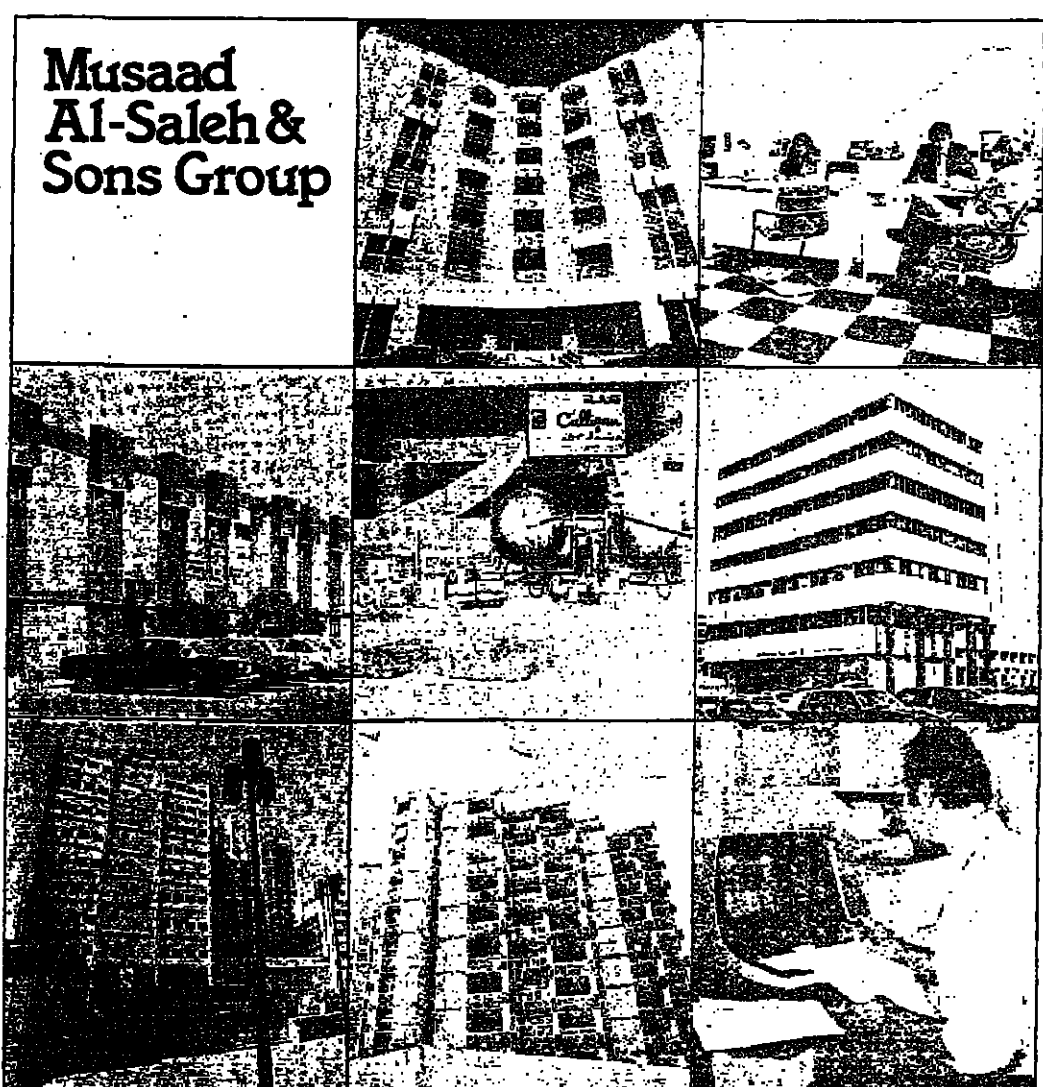
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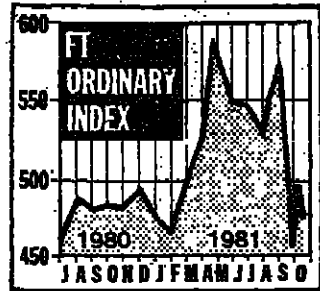
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New attack of stock market gloom sends shares sliding

By Our Financial Staff

Fears that the slight fall in interest rates may have to be reversed, the nervousness of sterling and suggestions of troubles at Tube Investments combined to create a gloomy mood on the stock market yesterday. The FT 30-share index closed 12.2 points down at 472.4, with prices picking up a little before the close. The index has fallen 25.8 points so far this week and dealers are predicting further declines after the short-lived rally.

On the New York Stock Exchange last night, the Dow Jones Industrial Average plunged 14.93 to 850.65, its biggest fall since early September. Observers said the market was beginning to realize that the United States was entering a recession regardless of what



the White House said. Prices were also dragged down by a weakening bond market, a rise in the key Federal Funds rate, and by the decision of Chase Manhattan Bank to increase its broker loan rate by 1 per cent to 17 per cent.

The sharp fall in Tube Investments' price has stemmed from

City investment analysts' bleak view of the engineering group's future after visiting the company. There are also rumours that its subsidiary, British Aluminium, already making losses at the half-way stage, had experienced a further setback in trading.

A spokesman for TI, which reported in August a £23m pre-tax loss for the half year to last June, said: "We do not know the basis for these wild and unsubstantiated rumours. We reported our position in August and this has not altered."

Mr John Armstrong, a British Aluminium director, declared: "These rumours of our financial difficulties are totally untrue. We are not in financial trouble and are not going into liquidation, as some have suggested."

The failure of John Brown's

£24.9m rights issue did little to help market sentiment. Only 9.3 per cent of the 32.7 million shares on offer at 76p were taken up. It is the most disappointing flop so far in the current equity market slump, worse even than the Morgan Crucible rights, which drew 15 per cent acceptances.

The continuing weakness of sterling added to the gloom yesterday, with jobbers again under pressure to take defensive action. They wiped a huge amount off most leading equities in an attempt to curb the selling. Last night, some jobbers were predicting the index would fall as low as 440p before the end of the current account. Few held out much hope of an improvement this side of Christmas.

German call for sterling to join EMS

From Peter Norman
Luxembourg, Oct 14

Dr Wilfried Guth, one of the chief executives of Deutsche Bank, has added his voice to those urging Britain to become a full member of the European Monetary System (EMS).

At a press conference here today, Dr Guth said that full British membership of the system was desirable. The fall of the pound in recent weeks meant that this would be a good time for Britain to join the system's regime to limit exchange rate fluctuations.

But the banker, who is one of Chancellor Helmut Schmidt's close advisers, said he feared the British Government would not take the step for political reasons.

Dr Guth said that the EMS should be maintained in its present form, but that an advance to the planned second stage, establishing a European Monetary Fund, would be quite wrong.

The EMS at present was a valuable instrument for curbing exchange rate fluctuations, he said.

In one respect, however, the outlook for the system was now less favourable than a few months ago. Since the election of President Mitterrand, France and Germany were governed by different economic philosophies.

Dr Guth said that French economic policy was full of contradictions and contained the threat of increased inflation which would make economic convergence in the EEC even more difficult to achieve.

Against these disadvantages, the French were showing a clear interest in European co-operation.

The banker said that recent trends in West Germany did not signal a rapid decline in interest rates. A cautious 1 per cent reduction by the Federal Bank of its special Lombard rate to 11 per cent has been accompanied by falling long-term capital market rates and a drop in the banks' overdraft rates. While the peak may have passed, West Germany is likely to experience relatively high real interest rates for some time to come, he said.

Midland and Natwest cut lending rates

By Our Economics Staff

Midland Bank and National Westminster yesterday followed the lead of Barclays and Lloyds and cut their base lending rates from 16 to 15½ per cent.

But any hopes that there may be further cuts to come in the short term seemed to be dispelled by a slightly firmer tone in money markets yesterday.

With sterling under renewed downward pressure and slipping to \$1.860 at one point, period rates in the money markets generally moved a fraction higher. Three-month interbank money traded around 15½ per cent.

During the afternoon, how-

ever, the dollar eased back as the dollar interest rate came off the top. The pound finished the day only 45 points down at \$1.8530.

The cautious mood over interest rates and sterling prospects was reflected in a dull, edged market. There was little investor enthusiasm for the £1,000m offering of Exchequer 15 per cent 1997, the bulk of the stock being left with the Bank of England.

In Stockholm, the Swedish central bank cut its discount rate from 12 to 11 per cent in view of the interest rate reductions in other countries.

£32m profit announced by News Corporation

By Our Financial Staff

News Corporation, the parent company of Mr Rupert Murdoch's publishing group which purchased Times Newspapers in February, has announced net profits up from Aus\$26.2m (£16.3m) to Aus\$51.7m (£32.1m) for the year to end-June. But the group emphasizes that, because of expansion and restructuring over the past year, the results cannot be compared directly with those of the previous year.

The report covers the first full year since the capital restructuring of the United Kingdom-based News International. It consolidates the News group's operation in the United States and the United Kingdom for the first time. The figures include the operations of Times Newspapers and a full year contribution from Ansett Transport in Australia.

The net profit is struck after interest charges up from Aus\$15.4m to Aus\$34.8m but does not include extraordinary profits of Aus\$32.7m arising from the sale of certain assets and foreign exchange gains. With a final dividend of 5.5 cents, the total distribution to shareholders goes up from 9 to 11 cents a share.

News Corporation directors say that the group's media activities face intense competition worldwide, particularly in the United States. Figures for the first quarter of the current year have shown a poor overall result, but the directors are confident of a satisfactory full-year profit.

With the acquisition of Times Newspapers, the group says that it has undertaken to return the company's publications to profitability.

The challenge to the New York Post has been met and the paper has increased circulation and advertising. In Australia the group's publications are improving market share and these, with other activities, are trading well.



Sir Peter: Private sector work a condition of staying at BR

Parker steps up at Rockware

Sir Peter Parker who has just negotiated a £12,000 a year rise to £60,000 in salary to stay for a further two years as chairman of British Rail, has become deputy chairman of Rockware Group, Peter Wainwright writes. It gives United Glass, Britain's leading glass container concern with around 30 per cent of the market.

Sir Peter stood down as chair-

man of Rockware five years ago to go to British Rail, but won the right to involve himself more deeply in the private sector as a condition for staying on at BR.

Mr John Craigie, the present chairman of Rockware, said yesterday that Sir Peter will again be invited to become chairman in due course. He has for the past five years been a non-executive director. Sir Peter is also a part-time member of

the British Airways Board, and vice-chairman of the British Institute of Management.

He rejoins the Rockware board as an active member just as the glass container industry plunges deeper into recession. Turnover in Rockware's containers fell a further tenth in the 26 weeks to June and the group yesterday reported pre-tax losses of £1.25m in the half year after losing £3.1m in the second half of 1980.

Share plan for Telecom employees

By Bill Johnstone
Electronics Correspondent

A plan is being considered to allow British Telecom employees to invest in the corporation, Mr Patrick Jenkin, Secretary of State for Industry, said yesterday.

He was talking about a performance-related bonus expected to be £150m for British Telecom and now being negotiated between the Department of Industry and the Treasury.

During the industry debate at the Conservative Party conference in Blackpool, Mr Jenkin highlighted British Aerospace staff's response to the opportunity of acquiring shares in their corporation.

He said: "There is no reason why British Telecom staff should not be given the chance similarly to invest in the enterprise for which they work. In that way, they would be safeguarding their jobs."

British Telecom's funding has been one of the principal areas of conflict between the corporation and the Government, which has been trying to devise a method which would not breach the Treasury's rigid interpretation of Public Sector Borrowing Requirement.

In July, Mr Kenneth Baker, Minister for Industry and Information Technology, announced that S.G. Warburg, the merchant bank, had been advising the Government on the issue of a performance-related bond for British Telecom.

A London Business School study on competition in telecommunications services concluded that the corporation should be allowed to raise funds, to compete in the free market created through the British Telecommunications Bill.

Time is running out, directors warn PM

By Baron Phillips

Britain's directors have thrown their wholehearted support behind the Government's economic policy but have given warning that time is running out.

In a letter to Mrs Thatcher, Mr Walter Goldsmith, director general of the Institute of Directors, stated strong support for the Government, but said that there was disquiet at the damaging and disproportionate impact its policies were having on the institute's 30,000 members.

After one of the most comprehensive consultation exercises ever undertaken by the institute, Mr Goldsmith said: "There was concern, even resentment, that the Government had in the public sector shirked unpopular decisions which they (institute members) had been forced to take in their own businesses."

Mr Goldsmith added that

members feared the Government might have left it too late to put things right.

To help to generate business activity, Mr Goldsmith urged Mrs Thatcher to make a huge transfer of economic activity from the public sector to the private sector. In short, to privatize as widely as possible and by all possible methods, including outright transfer of undertakings to the private sector.

At the same time the institute called for an overall reduction in the tax burden, especially for small, newly-established businesses, including a reduction in the basic rate of income tax from 30 per cent to 28 per cent in the next Budget.

Mr Goldsmith also pressed the Government to limit the power of trade unions by legislative action.

Banks to decide on \$5m Laker loans

By Our Financial Staff

Sir Freddie Laker, chairman of the airline which pioneered cupric transatlantic fares, was last night waiting to hear whether his bankers would allow Laker Airways to restructure loan repayments, of which \$5m (£2.7m) is due tomorrow.

A spokesman for Laker said: "We have not yet heard from the banks. If they don't agree, Sir Freddie pays up. He has the money. There is no question of his not being able to pay."

The loans involved are \$86.8m (£47m) from Eximbank, the American Government ex-

port credit agency, and \$74.4m (£40m) from Private Funding Export Corporation of New York. The latter loan is also guaranteed by Eximbank. Both loans are for the purchase from McDonnell Douglas of five DC-10 airliners.

Eximbank said that no decision had been taken on Sir Freddie's request that a "release and recapture" clause be inserted in the loan agreements, which would allow Laker to delay all or part of a payment.

But the Laker spokesman stressed that a postponement

Rate of pay rises is halved to 11pc

By Frances Williams

The annual rate of pay increases continued to slow in August, according to the Department of Employment yesterday.

The underlying rise in average earnings fell to 11 per cent in the year to August, compared with 11.5 per cent in July. The rate is expected to drop further to 10.5 per cent in September as the impact of last year's comparability settlements for public service workers drops out of the index.

This means pay is rising at less than half the peak rate of 22 per cent at this time last year.

The August index of average earnings itself stood 12.8 per cent higher than a year earlier: up from 12.1 per cent the previous month. But the index was distorted by large amounts of back pay for civil servants, nurses and chemical workers. Officials do not expect much change in the underlying pace of pay rises before Christmas because only five per cent of settlements take effect between August and November.

They confirmed that settlements in the pay round which ended in July averaged about 9 per cent, half the level of the previous year. The Government and the Confederation of British Industry are hoping for a further halving in the present round, particularly with the Government's 4 per cent norm for public service workers.

Lower pay settlements will cause a further erosion of living standards, however. Price increases and higher tax have now outpaced earnings for five successive months, depressing buying power. The Government's tax and price index shows that workers would have needed a 14.9 per cent pay increase in the year to August to maintain living standards.

But the impact of lower pay settlements has been partly offset by extra overtime and reduced short-time working in the manufacturing industry. The number of overtime hours a week worked in August rose to 10.40 million from 8.80 million in July.

These figures bear out Tuesday's official figures on industrial activity which suggest that manufacturing output picked up slightly in the summer.

According to the Treasury's Economic Progress Report yesterday, the lower pay settlements, combined with a rapid rise in productivity, have stabilized wage costs per unit of output in manufacturing after the steep increases in 1979 and 1980.

Stock Markets

FT Index 472.4 down 12.2
FT 100 61.67 down 0.30
Bargains 16.400

Sterling

\$1.8530 down 45 pts
Index 86.2 down 0.50
New York: \$1.8610

Dollar

Index 107.5 up 0.4
DM2.195 up 53 pts

Gold

\$444.50 up \$1.25
New York: \$444.30

Money

3 mth sterling 15½-15½
3 mth Euro 16½-16½
6 mth Euro 16½-16½

PRICE CHANGES

Rises		
Anglo Am Corp	13p to 74p	
Barlow Rand	7p to 43p	
Bovestad	10p to 131p	
Elshur Gold	5p to 189p	
Kinross	51p to 77p	
McLeod Russel	10p to 335p	
Moran	7p to 28p	
Nitrate Explor	10p to 330p	
Norton Simon	40p to 858p	
G H Scholes	8p to 195p	
Seagrass	51p to 120p	
Vakoftein	8p to 165p	

Falls

Broken Hill	32p to 68p	
Churchbury Est	20p to 62p	
Chronics Int	15p to 152p	
De La Rue	15p to 650p	
Empire Stores	14p to 60p	
Farview Est	10p to 93p	
Lazmo	23p to 46p	
Mercantile Hse	20p to 385p	
RTZ	20p to 48p	
Sutcliffe Pp	50p to 410p	
Standard Tel	78p to 40p	
Tube Invest	10p to 92p	

Lucas deal with GM

Lucas yesterday announced a multi-million pound deal with General Motors for the supply of car diesel engine pumps.

Mr Godfrey Messervy, chairman of Lucas Industries, said the latest contract had boosted the company's total business with GM from nil a few years ago to \$100m a year in the near future.

Under the deal, Lucas is to supply fuel injection pumps for a new 4.3 litre V6 diesel engine for GM's 1982 cars. All the components are to be manufactured at Lucas plants in the Medway area of Kent. Lucas already has agreements with GM to supply its microprocessor for diesel engines.

Opec meeting expected

Venezuelan sources say a meeting of the 13 members of the Organization of Petroleum Exporting Countries is almost certain later this month. A unified price of about \$34 a barrel for crude oil could be agreed at the meeting.

TODAY

Mid-September figures on banks' assets, liabilities and money stock, and figures on London dollar and sterling certificates of deposit.

Industrial Development Authority of Ireland to announce incentives to attract service firms to Ireland.

Company results: Erith, Lee Cooper, Marler Estates and John Mowlem.

BUSINESS BRIEFING

Sir Terence to miss CBI conference

Sir Terence Beckett (right), director general of the Confederation of British Industry who suffered a haemorrhage while on holiday in August, has been told by his doctors not to return to work until the end of November.

As a result, he will miss the confederation's national conference at Eastbourne in just over two weeks' time. The CBI said yesterday that recent medical tests on Sir Terence had revealed no abnormality. At his Essex home, Sir Terence said: "I very much regret missing the conference since the last 12 months have turned out to be a tumultuous period for industry and there is a lot I wanted to say."



ICI to cut 3,900 jobs

ICI announced last night that more than a quarter of the workforce in the plastic producing Mond division face redundancy over the coming three years. The number of employees is to be trimmed to 10,000 from 13,900. The majority of workers are employed in Cheshire and Merseyside, with some on Teesside, and in Buxton, Derbyshire.

The company, which is currently taking on voluntary redundancies, blames a shortage of orders. Mond division is based in Runcorn and Northwich in Cheshire. ICI is the major employer in both towns.

A company spokesman said: "Negotiations with staff are at an early stage."

440 JOBS LOST AT PLESSEY

Plessey has announced 440 redundancies at its plant at Beeston, Nottingham. Most of the workers affected have been making old-fashioned electro-mechanical telephone equipment.

The company blamed the loss of jobs on the rapid change-over to electronic equipment, a reduction in orders from British Telecom, and the economic recession.

800,000 hectolitres of Italian wine blocked by French customs will be progressively allowed into France over the next two months under an agreement reached by government ministers in Pisa.

More go broke

A total of 6,223 companies went bankrupt in the first nine months of this year, compared with 4,746 in the same period last year.

But July, August and September, showed a sharp increase in closures—largely because of delays, caused by the Civil Service dispute, in the issuing of winding-up orders.

Dun and Bradstreet, the credit rating company, says it is too early to judge if the true rate of business failures is beginning to fall.

It adds: "The overall forecast for 1981 is not encouraging. High interest rates are again creating pressures on liquidity, forcing many businesses to withhold payments to suppliers."

Steel order

The British Steel Corporation is to supply a structural steelwork worth £55m for the new headquarters of the Hongkong and Shanghai Banking Corporation in Hongkong. Most of the 22,000 tonnes of steel will be high quality plate from mills in Scotland.

Steel makers divided, page 24

A Kuwaiti trading family has taken its stake in Tozer Kemsley & Mifflin, the London-based finance and investment group, to just over 5 per cent. The family runs a group of companies known as Musaid Al-Saleh & Sons in Kuwait.

Lord Kissin, Mr Richard Caine and Mr Alfred Singer resigned yesterday from the board of Linfords Holdings in which Guinness Peat has sold its shareholding.

M.P. KENT LIMITED

Property Development

Year ended 30th June:	1981	1980
	£000	£000
Sales	22,831	17,977
Profit before Taxation	4,776	3,046
Taxation Credit	63	(1)
Profit after Taxation	4,839	3,045
Cost of Dividends	472	408
Earnings per Share	22.6p	14.0p

- * Last year's record profits advanced 57% to new high of £4,776,086.
- * Shareholders' Funds advanced 37% and at Balance Sheet date total borrowings only represented 10.8% of Shareholders' Funds.
- * Proposed Bonus Scrip Issue of one new share for every share held.
- * Final Dividend increased to 1.625p (23.21% gross).
- * Forward sales from completed Developments and those under construction will in the absence of unforeseen circumstances materially add to Profits, Shareholders' Funds and liquidity in the current year.

M.P. KENT, Chairman

M.P. Kent Limited,
Northcliffe House, Colston Avenue, Bristol. Tel. (0272) 214971

IN BRIEF

Room at the top for union men

A startling feature of Japanese industrial life, revealed in a recent survey, is the large number of union leaders who have become company executives. Some have even reached the top of the ladder to company president rank, like Mr Shuzo Muramatsu of Dai-ichi Kangyo Bank. Mr Junji Itoh of Kanebo, Mr Takeshi Hikiata of Sumitomo Chemical and Mr Yuzuru Abe of Nissan Steel.

Of 313 companies that responded to the survey by Japan's federation of employers associations 74.1 per cent had at least one executive director who once served as a trade union leader. Of the 6,121 directors in the responding companies, 992 or 16.2 per cent were former union leaders.

The federation attributes this to the "lifetime employment" practice of Japanese industry. Under the system, executives rise up the corporate ladder because of their leadership ability and competence.

Heathrow contract

Ferranti Computer Systems has been awarded a contract by British Airways to supply an advanced computer-based flight information system for Heathrow.

French prices up

French retail prices rose by between 1.1 and 1.2 per cent in September, compared with 1.2 per cent in August, the National Statistics Institute reported.

Joint venture

CRA and Endeavour Resources have agreed a joint venture covering exploration, research and development of an oil shale deposit in the Latrobe region of Tasmania.

Japan money supply

Japan's money supply is expected to grow by between 10 per cent and 11 per cent in the October-December quarter, the Bank of Japan said yesterday.

Oil supply deal

Pemex, Mexico's state oil company, is to supply the Montedison group with 20,000 barrels a day of crude in 1982.

Community steel chiefs divided in 'dumping' row

From Peter Hill, Toronto, Oct 14

European steelmakers are seriously divided on how to defuse the deepening crisis over steel shipments to the United States.

With the American steel companies' anti-dumping actions expected at the end of this month, citing European and other producers, Viscount Davignon the European Economic Community industry commissioner, has contacted Department of Commerce officials in Washington again.

But among Community steel producers there are clear differences on how they should respond to American complaints and the growing pressure on the Reagan Administration for tough action.

West Germany's industry, led by Dr Dieter Spethmann, head of the Thyssen Group, continues to advocate the negotiation of a voluntary restraint agreement.

But this is seen as an unrealistic option by other producers, including Britain, because of the past failure of such pacts. Nor, in their present mood, would American producers embrace the idea.

Mr Tom Graham, president and chief executive of Jones

& Laughlin Steel Corporation, underlined American scepticism at a Press conference here today.

"This is not the first time that we have been through this cycle and it does not appear to be a practical long-term solution, particularly in those countries where there are nationalized steel industries. There is little evidence that the European industry can speak with one voice, not only on this issue but on others."

Both sides, however, do acknowledge that this latest row can be resolved only through government-level talks. Heads of the Community's steel companies which belong to the Eurofer cartel, have failed to make any significant progress on the issue during the annual conference of the International Iron and Steel Institute here.

Eurofer members are to meet again next week and it seems likely that members of a sub-committee known as the London Committee, which has coordinated discussions on exports to third country markets in the past, will be reconvened.

Direct-sell holidays could lift market share to 10pc

By Derek Harris, Commercial Editor

Direct-sell holidays — they sidestep high street travel agents and thus claim to be cheaper — are expected to account for 10 per cent of the United Kingdom's foreign package holiday market next year, according to new estimates yesterday. This year their market share is 7.5 per cent.

Steady growth rather than an explosive one propelling direct-sell to a 50 per cent market share once feared by travel agents was forecast yesterday by Mr Paul Brett, managing director of Portland Holidays, a leading direct-sell operator which is part of the Thomson Organisation.

But this may understate the likely growth pattern of direct-sell because Portland is not alone in planning aggressive expansion next year even though Mr Brett is expecting a 5 per cent decline in the package holiday market overall. Portland is increasing its summer holiday capacity by 85 per cent to around 120,000 holidaymakers.

The growth will largely come from its opening up a Manchester-based operation, together with a launch into three specialized sectors catering for young people, the mainly retired and those interested in holidaying under canvas.



A sales team from the Japanese steel, shipbuilding and engineering conglomerate, Nippon Kokan, is in London this week to promote liquefied natural gas (LNG) tankers.

The six-man team, which includes (from left to right) Mr R. Akiba, Mr M. Nagata, Mr H. Otake, Mr Y. Ishihara, Mr Y. Jubiki and Mr C. Kawai, expects to see an expanding market for LNG both at home and abroad as oil consumption declines.

The Japanese are anxious to win business for their newly-equipped fleet of tankers which is expected to triple in size over the next 10 years.

They are understood to be strong contenders for a contract to transport six million tons of LNG a year from Western Australia to Japan after 1986 — which would require seven carriers. The main gas field off the Western Australian coast is operated by a consortium of Shell, British Petroleum, Chevron and Broken Hill Proprietary.

Advice centres to promote microcomputer ICL tries for mass sales

By Bill Johnstone, Electronics Correspondent

ICL has launched a personal microcomputer designed specifically for the business user. The company hopes it will generate about £1,000m in sales over the next five years.

More than 150,000 sales worldwide will be needed to achieve that target through a large chain of distributors and dealers.

A network of 40 ICL-owned shops which will act as advice centres on the advantages of small computer systems, will help to market the products and the larger System 25.

By the Spring of next year eight of these centres will be established in the United Kingdom and the rest abroad.

These "Computer Points" will be expected to make the small business user more aware of the potential of machines in the price range £5,000 to £35,000.

Information will be available on the new microcomputer which will sell in its basic forms from about £2,250. However it is the higher end of the market which ICL is trying to capture.

The new family of microcomputers, called the DRS 20, will be ready for delivery almost immediately with the first batches being manufactured in the company's plant in New York State. These will be supplemented by units manufactured in Letchworth, Hertfordshire.

ICL intends to attack the small business user market by competing directly with the products of IBM, Hewlett Packard and Wang. The British company's marketing strategy for the moment is to avoid competing in the personal computer market, but it promises to produce a cheaper machine soon which could attract some of the users favourably drawn to the small machines of Apple, Commodore and Tandy.

ICL is aiming for high volume sales by increasing what it calls "trader points". Distributors, system houses and computer bureaux will be used and discounts will be designed to make the ICL products competitive. IBM, which launched its personal microcomputer in August, will be faced with the same

problem of which marketing strategy to adopt to sell low priced machines. The IBM machine is expected to attract the business executive prepared to buy a machine in the price range \$1,565 (£850) to about \$6,000 (£3,250). At the moment there are no plans for marketing the product in Britain.

However ICL is confident that its small business machines can cater not only to the needs of the user at the lower end of the market but also provide sufficient range for a user to expand his system as his workload grows.

The local "computer points" which will be manned largely by ICL personnel will be crucial in that marketing strategy.

Honeywell, has unveiled a new range of medium-sized computers. The American company said the DRS 7 series heralded "a major attack on the United Kingdom medium-systems market". The machines, which sell for between £115,000 and £320,000 each, are being made in France by Honeywell Bull.

Exchange control abolition boosts investment abroad

Many financial companies have stepped up their overseas investments after the abolition of exchange control regulations two years ago, according to a Treasury analysis of the effects of abolition, published yesterday in *Economic Progress Report*. Investment and unit trusts invested a large share of their portfolios abroad even before the

controls were relaxed, much of it financed by foreign currency borrowing. During 1980, following the abolition of controls in October 1979, the share of overseas assets in the total investments of these institutions rose from 24 per cent to 31 per cent. The Treasury emphasizes the difficulty of quantifying the effects of ending the controls. However, it

believes that the move had a big impact on overseas portfolio investment. The level of investment did not increase by much to begin with, but reached very high levels during the second half of 1980 and the first half of 1981, running at a rate of more than £4,000m a year. Another consequence of abolishing exchange control has been the recent build-up of

foreign currency deposits by private individuals and companies. Between the third quarter of 1979 and mid-1981, the private sector acquired £3,900m of currency deposits with United Kingdom banks, half of which was acquired during 1981. Sterling bank lending to overseas residents is also shown to have grown strongly since 1979.

BALANCE-OF-PAYMENTS FLOWS 1976-1981

£ millions, not seasonally adjusted (— means balance-of-payments outflow)

	1976	1977	1978	1979	1980	1981
	1st half	2nd half	1st half	2nd half	1st half	2nd half
1 Capital flows directly affected by abolition of exchange controls						
(a) Overseas portfolio investment	90	12	-1073	-92	-848	-2110
(b) Direct investment abroad	-2145	-1285	-2740	-1503	-1285	-1797
(c) Banks' external lending in sterling	-348	56	-507	305	-107	-851
(d) Banks' net foreign currency borrowing of which borrowing to finance overseas investment	165	550	835	495	-865	na
(e) Total (1) to (d)	-2598	-1481	-2485	-1700	-2467	-2558
2 Other capital flows						
(a) Capital account	-3073	4217	-2380	1448	729	168
(b) Balance of payments	323	3180	2195	1105	-709	914
(c) Current account	-991	-41	338	-1111	248	-387
(d) Official financing transactions	3626	-781	1128	-1442	-287	-553
(e) Memorandum item Residents' foreign currency deposits with UK banks (— means increase)	-382	-775	-895	-530	-272	-795
(f) Total (2) to (e)	-1017	1096	1126	-1442	-287	-553
(g) Total (1) to (f)	-3615	-385	-1359	-3274	-2742	-3111

(na—not available)

OVERSEAS ASSETS HELD BY FINANCIAL INSTITUTIONS

	1976	1979	1980
1 Acquisitions of overseas assets by financial institutions			
(a) Investment and unit trusts	132	101	459
(b) Gross investments	17	324	692
(c) Net of foreign currency borrowing and insurance funds	372	384	1,185
(d) Total (1) to (c)	522	809	1,246
2 Holdings of overseas assets at market value			
(a) In sterling, and of sterling market value, including the foreign currency premium	28	25	38
(b) Gross investments	13	22	38
(c) Net of foreign currency borrowing and insurance funds	13	27	38

Barclays Bank Interest Rates.

BASE RATE.

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 14th October, 1981, their Base Rate was decreased from 16% to 15½% per annum. This new rate applies also to Barclays Bank Trust Company Limited.

RATES FOR SAVERS.

Bonus Savings and Payplan Accounts. Interest paid remains unchanged at 15½% per annum.

Ordinary Deposit Accounts. Interest paid was decreased from 14½% to 14% per annum.



Reg. Office: 54 Lombard Street, EC3P 3AH. Reg. No's 48839, 920880 and 1026167.

TSB BASE RATE

With effect from the close of business on Thursday, 15th October, 1981 and until further notice TSB Base Rate will be 15% per annum.



TRUSTEE SAVINGS BANKS

Central Board,
P.O. Box 33, 3 Copthall Avenue, London EC2P 2AB.

Fairview Estates Limited

PRELIMINARY STATEMENT YEAR ENDED 30th JUNE 1981

	Year Ended 30th June 1981	Year Ended 30th June 1980
Turnover	£000 27,831	£000 32,288
PROFIT BEFORE TAXATION	5,745	10,315
Taxation	2,898	534
Profit after Taxation	2,847	9,781
Amount absorbed by dividends	1,519	1,276
Dividend on Ordinary Shares		
Interim	1,285p	1,100p
Final	3,282p	2,854p
Total	4,567p	3,954p
Earnings per share	8.8p	30.3p
Net Asset Value per Share	144p	143p

DIVIDENDS

The final dividend proposed by the Directors of 3.282p per share is the net payment to shareholders. Taking into account the tax credit available to United Kingdom shareholders, the total dividends paid or proposed represent a total of 6.495p per share. The final dividend will be, subject to approval by the members, paid to those shareholders on the register at close of business on 9th November 1981.

PROFIT & PROSPECTS

The contracted rent roll is now £3,502m. The climate makes commercial/industrial lettings extremely difficult. High interest rates have created a more speculative housing market. Year end results are considered satisfactory bearing in mind these factors. Continued progress is being made in strengthening the company's property investment base. Caution is predominant in considering any future commitments.

Creating places to work, places to live.

Fairview

D.J. Cope, Chairman
14th October 1981.

Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 14th October 1981 its Base Rate for advances is reduced from 16% to 15½% per annum

Interest on deposits at 7 days' notice is reduced from 14½% to 13¾% per annum.

WILLIAMS & GLYN'S BANK LTD



Coutts & Co

Coutts & Co. announce that their Base Rate is reduced from 16% to 15½% per annum with effect from the 14th October 1981 until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal is reduced from 14½% to 14% per annum.

BANK OF SCOTLAND

BASE RATE

The Bank of Scotland intimates that, as from 15th October 1981, and until further notice, its Base Rate will be reduced from 16% PER ANNUM to 15½% PER ANNUM.

LONDON & BIRMINGHAM OFFICES—DEPOSITS

The rate of interest on sums lodged for a minimum period of seven days or subject to seven days notice of withdrawal will be 13½% PER ANNUM, also with effect from 15th October, 1981.

BY THE FINANCIAL EDITOR

Another attack of nerves

Sentiments about the trend of interest rates are changing almost by the hour. With Salomon Brothers' Dr. Henry Kaufman predicting United States primes of 25 per cent next year, both the Wall Street and London equity markets have turned tail after their brief bear rallies and the United Kingdom banks' base rate cuts are looking distinctly premature. As suggested here yesterday, these cuts were largely cosmetic and since we are now in for an extended period of volatile interest rates as Mrs Thatcher and President Reagan get to grips with their expanding public deficits, markets will continue to be nervous and erratic.

So far this week, United Kingdom equities have fallen 25.8 points and sterling has come back four cents from its recent peak, despite yesterday's late recovery. At 1.8535 dollars, the pound is still below levels which forced the Bank of England to signal last month's four-point jump in interest rates. Sterling's performance is pointing towards continuing high rates, confirmed by yesterday's further slight rises on the money markets. Dollar rates are unlikely to ease in the immediate future, with Wall Street expecting poor money supply figures tomorrow. They should be boosted by abnormally large social security payments.

Uncertainty about interest rates and concern over the prospect of the Government's economic policy coming under severe attack at the Tory Party Conference have totally dissipated any remaining euphoria on the London market. This bodes ill for the new long tap stock, 15 per cent Exchequer, 1997. The stock is more than a point out of line with current rates and was heavily undersubscribed yesterday.

Meantime, rumours about the reimposition of exchange controls to defend sterling, can be discounted. In the pursuance of its long-term policy of allowing UK investors to find the most profitable havens for funds, the Government is maintaining a hands-off attitude towards capital outflows, despite the troubling of overseas portfolio investment to £2,470m between the first half of last year and the first half of 1981.

Rockware Still on the rack

The suffering of Rockware Group, which like its rival, United Glass has around 30 per cent of the glass container market, grows worse. The fall in glass bottle demand has steepened; costs, especially of gas, have risen fast, an attempt to raise glass prices by 8 per cent in May failed, (the group obtained only 6 per cent). Imports from both sides of the Iron Curtain as well as surplus capacity at home persist, plastics are in slump, and the packaging engineering subsidiary lost substantially.



Mr John Craigie, chairman of Rockware.

So the steps so far taken to restore profits have proved inadequate. Pre-tax profits fell from £5m to less than £500,000 last year and the second-half loss was more than £3m. For the first half of this year, to June 28, the pre-tax loss was £1.35m and the six-monthly dividend has been passed.

The way back to profits looks stony.

Last year, the group spent £3m on redundancies involving the departure of one fifth of the labour force, and the group has now spent a further £700,000 on redundancies (written off against profits). There is a hope, rather than an assurance, that there will not be more. The group also hopes for an Autumn price increase in time for the Christmas drinks season but ahead of a recovery in demand there is only a pipeline empty of stocks to look forward to.

It seems that Rockware hopes to pay a final dividend of some sort and to restore profits in the second half-year but on an inflation-adjusted basis it is still deeply in the red, and the disappointingly tiny £211,000 fall in interest charges to £2.3m points to borrowings of 40 per cent of shareholders' funds. The shares fell 6p to 48p yesterday. Earlier this year they were 75p. But the asset value is anyone's guess, as are the price-earnings ratio and yield.

Empire Stores

An Unexpected setback

Empire Stores (Bradford) has shown just how deeply scarred it has been by the recession with a collapse in pretax profits to £312,000 in the first half against £2.06m last time. Buoyed by good results from the other independent mail order houses, Freemans and Grattan, the market was doubly disappointed by Empire's setback. Estimates had been in the £1.5m to £2m range, so it is not surprising, coming with a halved dividend to 1.2p, that the shares fell 12p to 62p, a new "low" for the year. The group's own cautious forecast for profits less than half last year's £5.6m is hardly inspiring and gives little to look forward to with estimates ranging as low as £2m.

Why Empire has fared so badly where others have gained in a depressed consumer market lies partly in the unbudgeted 2½ per cent fall in sales to £65m, excluding VAT. This is mainly due to the failure of Empire's advertising campaign to attract more than 2 per cent growth in agents at the beginning of the year at a time when others had been expanding by about 8 per cent.

Empire is also suffering from its traditional stronger spread in the north of the country which is worst hit by the squeeze on disposable incomes. So an attempt to push sales growth through agency growth and other promotional campaigns is now the main priority. This is unlikely to have much impact this year even though the increase in agents will be 4 per cent and the fact of the matter is that it is difficult to see where any growth will come from with Empire's drop in market share and the 1.7 per cent overall market contraction underway.

Freemans has the additional edge with a lead in fashion-based goods and Grattan benefited from its management reshuffles and both have computerized order systems on stream, whereas Empire's is only due to start in January, which leaves little reason for the shares to improve their relative position.

Takeovers

Refining the rules

The democratic right of shareholders to do as they wish with their shares will be debated today by the Council for the Securities Industry. Its standing committee on buying large shares stakes in takeover bids will have to touch on this fundamental principle which is now vital to the issue of whether irrevocable acceptances ought to remain part of the takeover game.

They have been an accepted part of acquiring company control for almost 15 years and represent a commitment by one or several shareholders to accept a takeover bid at a given price. But the irrevocability can be withdrawn if that bid fails, and if those acceptances give the bidder more than 50 per cent, effectively shutting out any counter offers.

Business Diary: What price happier hens?

Peter Walker spent much of yesterday telling the Tory faithful at Blackpool that the Government's food policy during his term as Minister of Agriculture had been a triumph.

"Just look how well the consumer of food has done during this period of Tory Government," he said. "Farm prices have gone up by less than a third of prices in general and food prices have gone up by about half of the increase in the non-food sector."

Yet, while he spoke, a quango which he appointed quietly made to him a suggestion which, according to his own officials, would raise the price of a basic foodstuff. The Farm Animal Welfare Council, whose job is to tell Walker how to keep cruelty out of farming, said that farmers should be made to reduce the number of egg-laying hens they cram into battery cages.

"Immediate action is needed to improve the welfare standards of all hens," the council insisted. Douglas Thow, secretary of the Concern for Animals Group in the

National Farmers' Union, estimated that the council's recommendation would mean that farmers could keep only four birds in a cage instead of the usual five.

The council's move, condemned as "naïve" by Thow, came at the end of a chain of events in the welfare work of the ministry. On Monday Walker received an unpublished visit from three of the top staff men at the Royal Society for the Prevention of Cruelty to Animals, which wants battery cages to be phased out and eventually banned.

Two of the three were Philip Brown, chief vet at the RSPCA, and Julian Hopkins, executive director, both of whom were appointed by Walker to the welfare council in 1979. The farm development service of the ministry chose Tuesday to issue a booklet form the evidence about chickens that it had given months before at an investigation of animal welfare by the Commons Select Committee on Agriculture.

The service estimated that a cut from five to four in the

number of birds kept in a battery cage would raise the cost of producing eggs by about 2p a dozen from the 40p price when the sums were done last year.

Brown saw no conflict in working for an RSPCA which wants cages banned and serving on a council which does not. He considered a ban a worthy aim but impracticable in the short term.

A-movable feat? His Allison Newell became managing director of F International to preside over the liquidation of that British computer systems house as an expert of programmer ladies, who because they have young children now work from home?

So it might seem, for Mrs Newell succeeds Suzanne Harold at the same time that F International is relaunching itself with a new brochure that eschews any mention of the said working mothers.

The answer, I learn, is a qualified "No" in the sense that any change that is under way was set in motion by Mrs

Some farmers have found a new way of lightening the cost of their autumn grain sowings. They buy from the French subsidiaries of chemical multinationals the products that they have been buying at home under the same brand names from the British subsidiaries of the same multinationals. The French versions are appreciably cheaper.

Several official bodies have spent the past two months searching their law books for ways of blocking the imports; but they have not yet found one. Meanwhile, the trade continues, even though the price advantage of imports has dropped, while some British manufacturers have cut prices.

French products could be bought at a discount for between 20 and 30 per cent less than their British counterparts. The difference is now nearer 10 per cent.

The imports are expected to capture between 5 and 10 per cent of the British market in autumn weedkiller sprays for farms this year.

The British agrochemical subsidiary of Ciba-Geigy cut the prices of its Dicrane and Hytane sprays last month. Mr Chris Martin, marketing manager, said: "We had to reduce our prices to get there in line with those of the people who were bringing in French material. I believe that a lot of farmers heard about the French imports, refrained from buying and played a

waiting game to see if we would drop prices."

The best known of the extremely reticent corps of importers of chemicals is a partnership of four Midlands farmers who call their operation Barleydrum. Mr J. C. Warhurst, one of the partners, said at the company's headquarters at Lodey, Warwickshire: "This whole thing is going to save British agriculture millions of pounds."

Barleydrum was founded in August solely to import agricultural sprays. Mr Warhurst said that the partners would be glad to dissolve the company if the reason for its existence was removed.

"When we were founded we were on a very much better rate of exchange," he said. "It has slackened a little bit, but whether that is because of the weather or currency changes, I don't know. There seems to be quite a good

demand. We can meet it, just."

Weedkiller sprays are indispensable in modern high-speed agriculture. As soon as one year's harvest is over the ground must be cleared of all weeds to give the next year's crop a flying start. Margins between the costs of machinery and chemicals on one side and crops on the other are so tight that farmers are always looking for ways of cutting costs.

Arguments about unfair competition have already been raised by British spray manufacturers in complaints to the EEC Commission and the Office of Fair Trading. The office is particularly interested because in 1978 it was investigated for safety and correctly labelled. At this point we enter a legal entanglement arising from the fact that although an import is not considered to have been vetted if it has not passed through the voluntary scheme, the lack of vetting is not a pretext in law for it to be stopped at the point of entry to Britain.

The Government has explained the rules in a long memorandum about the laws which might be used against users of imported sprays. "Departments concerned welcome this opportunity of dispelling any impression which may be abroad that, because the Pesticides Safety Precaution Scheme itself is non-statutory, distributors and users can do what they like with pesticides with impunity. Nothing could be further from the truth."

That roll of official thunder about the British manufacturers' voluntary registration scheme obscures the main weakness of the present structure. It is that if an unsafe or inadequately labelled chemical enters the country it will probably not be taken off the market until it has caused some damage.

As the ministry itself points out much later in its long document: "Imported pesticides bearing the same trade name as a product cleared for United Kingdom use may not be identical. . . . Higher and possibly unacceptable residues could occur in treated foodstuffs if the imported product contained a higher percentage of active ingredient, but the user followed familiar United Kingdom provisions for application rates."

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Low-price chemicals are being brought into Britain. Hugh Clayton reports

A new farm row over French imports



Continental chemicals which are on sale in Britain

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Economic notebook

Money lost in the autumn fog

I am not well acquainted with Blackpool, so I have no idea whether the top of its illustrious tower periodically disappears in autumn fog.

The same cannot be said for the City of London, however. Here the fog surrounding the ivory tower of the money supply — indeed, one is tempted to say all things monetary — has steadily become more dense long before the autumn.

Once again, it has not been an easy year for those conducting monetary control to implement the dictates of the Chancellor's strategy, and this time round they have probably had rather more reason to cry "Circumstances beyond our control".

In particular, there have been three main areas of monetary control in dispute: the rapid growth in bank lending to the personal sector; and the flows across the exchanges, arising largely from high dollar interest rates.

As far as the civil servants' dispute goes the fog has been considerable. By the end of the dispute the Government reckoned that taxes owing, but not collected or cleared, amounted to between £5,000m and £6,500m — and that was net of the more than £2,000m which it in turn owed by way of value-added tax repayments.

Against the Government's aims for monetary growth — in a bracket of roughly £4,000m to £7,000m in the present financial year — the distortion was obviously significant. The problem throughout has been assessing the extent of the distortion. If it could have been assumed that the tax owing was simply being kept in a bank deposit — bank deposits are the main component of the Government's chosen measure of money, sterling M3 — then the task of assessing the distortion would have been fairly easy.

But nobody really knows exactly what taxpayers have done with the money. Some certainly will have kept it on deposit, but others may well have used it to reduce their bank borrowings — a move which will have tended to keep the sterling M3 figure lower than it would otherwise have been.

In other words, it has not only been impossible to assess precisely how far the money supply has been distorted, but it has also become increasingly difficult to estimate what the underlying trend in the Government's financial position would have been had there been no dispute.

What is more, the ending of the dispute does not mean an end to the distortions. The unwinding process will produce distortions and these look like staying with us until well into the new year.

The net result thus far is that sterling M3 has grown at an annualized rate of more than 17½ per cent in the past seven months and the authorities have ceased making any official guess as to whether the "underlying" trend is still on course.

The second principal problem facing the authorities has been how they should regard the sharp increase in bank lending to the personal sector. Although lending to this sector represents a fairly small proportion of total bank lending (about 20 per cent), an increase of 11½ per cent in the June to August period alone was worrying.

The real question was how worrying? For this is another area where there has been limited visibility this year. What has clearly been happening is that the banks have been increasing the market share of personal credit at the expense of the finance houses and the building societies.

The problem for the authorities has, therefore, been to distinguish between the strength of personal credit demand in total and the effect of the redistribution

among classes of lender — some of whom are included in the monetary aggregate and some of whom are not.

The conclusion, in view of the Bank's acquiescence in the recent base rate increases, has probably been that total personal credit demand was growing too fast, albeit that external considerations have undoubtedly been the main cause of interest rate increases.

Meanwhile, the authorities have yet to decide how best to deal with the business transfer element of the increase from finance houses and building societies to banks and hence into sterling M3. Some analysts reckon that the transfer process stands to inflate the sterling M3

measure of money by about 2 per cent this year.

The more difficult problem for the authorities has almost certainly been to assess the monetary effects of exchange flows, not least when the absence of trade figures have made it even more difficult to assess the likely composition of the flows.

On the whole, though, the movement by United Kingdom residents into overseas currency assets should have helped constrain monetary growth. Although the impression is that the current account of the balance of payments may just have held in surplus through the summer, there has clearly been a substantial outflow on capital account. As a result, the

dumped sterling either finished up in non-resident sterling deposits (up more than £1,500m in the three months to mid-August) or, more particularly in September, in the hands of the Bank of England as it stepped up intervention in support of the pound.

The interesting question now whether those funds will eventually be drawn into the domestic gilt-edged market (oil effect on the money supply) or into the hands of United Kingdom exporters (increasing the money supply) as exports progressively respond to the lower sterling exchange rate.

John Whitmore



Lloyds Bank Interest Rates

Lloyds Bank Limited has reduced its Base Rate from 16% to 15.5% p.a. with effect from Wednesday, 14th October 1981.

The rate of interest on 7-day-notice Deposit Accounts and Savings Bank Accounts is reduced from 14% to 13.5% p.a. The rate of interest on the Special Savings Plan is reduced from 15.5% to 15% p.a.

The change in Base Rate and Deposit Account interest will also be applied from the same date by the United Kingdom branches of Lloyds Bank International Limited The National Bank of New Zealand Limited

Lloyds Bank Limited, 71 Lombard Street, London EC3P 3BS.

LONDON MERCHANT SECURITIES LIMITED



Salient points from the Chairman's Review for year ended

Edited by Peter Davalle

ITV 4 LONDON

9.30/ For Schools. Subjects include Politics (what makes the unions powerful?) at 9.30; hospital children's ward (9.52), Snowdonia (10.28), A-level Chemistry (10.48) and Middle English (new books) at 11.39; 12.00 Gammon and Spinach: The story of The Pig's Wedding; 12.10 Get Up and Go! with Beryl Reid; 12.30 The Sullivan; 1.00 The Family Sings; 1.00 News; 1.20 Thames area news; 1.40 *Talk Across*; Serial set in South Wales. The awful truth about Harry the club steward's past might be revealed; 2.00 *After Noon* Puss: Modern medicine. With Brian Inglis who has written a book called *Diseases of Civilization*;

11.40 25 Y
12.00 Nov

tra Mozart: Symphony No.28 in C (K.200).†
11.00 News
11.05 Bach "48" Prelude and Fugue No.4 from Book 1; record.†
WIF only — 5.55-6.55 am and 11.15 pm-12.35 am **Open University**

Radio 2

5.00 Ray Moore† **7.30** Terry Wogan†
10.00 Jimmy Young† **12.00** John Dunn† **2.00** Ed Stewart† **4.00** David Hamilton† **5.45** News **6.00** David Symonds† **8.00** Country Club† **9.00**

Gambaccini
John Peolt

5.00 Ray Moore† 7.30 Terry Wogan†
10.00 Jimmy Young† 12.00 John
Dunn† 2.00 Ed Stewart† 4.00 David
Hamilton† 5.45 News 8.00 David
Symonds† 8.00 Country Club† 9.00

Radio 1

5.00 As Radio 2 7.00 Mike Read 9.00
Simon Bates 11.30 Dave Lee Travis
2.00 Paul Burnett 3.30 Steve Wright
5.00 Andy Peebles 7.00 Paul
Gambaccini 3.00 David Jensen 10.00
John Peel† 12.00 Cope

VHF RADIOS 1 AND 2 5.00am With
Radio 2 10.00pm With Radio 1 12.00
5.00 With Radio 2.

World Service

World Service

[illegible]

4.15 Walt Disney cartoon: Tea for Two Hundred;
4.20 Palmerston: Episode 2 of this story
about two boys — one black, the other white

- 5.15 **Emmerdale Farm:** The stage is set for drama at the parish council meeting.
- 5.45 **News:** 5.00 Thames area news.
- 6.30 **WKRP in Cincinnati:** The radio station offers prizes for the winners of a contest — dates with two disc jockeys.
- 7.00 **Sounds Like London:** Quiz show, based on the sounds of London. The host is Barry Green who both asks the questions and is himself subjected to questioning by the panel.
- 7.30 **Film: *Hombre* (1960)** Superior western about a white man raised by Apaches (Paul Newman) who gets involved in a kidnapping and, during a stagecoach journey, finds himself in charge of the frightened and ill-treated travellers. Co-starring Fredric March, Diane Cilento, Richard Boone. Directed by Martin Ritt.

9.00 Film: Hombre (continued).

9.30 TV Eye: From the Conservative Party conference in Blackpool, on the eve of Mrs Thatcher's speech, an examination of the morale of the party halfway through its term of office. The reporters are Denis Tuohy, Peter Gill and Lew Gardener.

10.00 News from ITN. Includes a report from Alastair Burnett on today's proceedings at the Conservative Party Conference in Blackpool.

10.30 Lou Gaskin: Newspaper drama series. There's the possibility of a revolt in the office when the reporters learn that equal work does not mean equal pay.

11.30 Wheels: The programme for the motorist. Chris Goffey, Pam Rhodes and Tony Bastable visit three research centres where the car makers are preparing for the day when the world's oil supplies run out.

12.00 What the Papers Say: With Russell Davies, of The Sunday Times

12.15 Close: A reading from Brian Rix, former king of stage farce, and now a hard worker on behalf of charity.

1. *Chlorophyll a* (mg/g)

CE a man of limited intelligence; he has merely stuffed himself (and been stuffed by others) with non-essential facts which he subsequently

Penguin Michael - regurgitates at the behest of Magnus Magnusson. There is much

...the duet by
 the wicked
 you may not, of
 on whether
 adaptation is
 by or bad
 I plump for
 Afternoon
 GTHORPE
 is such
 as such as
 id, that it is not
 red. It is
 here, a
 balloons, is

...decide his fate is a piece of
 unacademic wisdom. Mr Bedford
 cleverly solves the problem of giving
 the broad-vowelled hero aspirations
 for higher things by providing him
 with a pasty ally who with cultured
 tones, Jack May
 recognizable as the Nelson Gabriel
 of Radio 4's The Archers, is an ideal
 choice for this role. Another ideal
 choice is the man chosen to play a
 surreal Magnus the Pantomime. His
 the real Magnus played by John
 Duttine

WHAT THE SYMBOLS MEAN: ↑ STEREO
 = BLACK AND WHITE: (D) REPEAT

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vide recorder, or a good neighbour, or purchase the new Penguin paperback edition of Michael Crichton's *Prey*. You will know whether it's the good Harry Somerset who survives the duel by pistol or whether it's the wicked Lord Manderstoke. You may not, of course, care, depending on whether you're a fan of the TV production or good melodrama badly done or bad melodrama well done. I plump for the latter.

● Bruce Bedford's *Afternoon Theatre* comedy, *CLAGTHORPE VIVA* (Radio 4, 3.02z) most certainly does. It takes a point, aspects of quiz games such as television's *Mastermind*, that it is not mind that is being-tested. It is memory. The Yorkshire hero, a humble designer of toy balloons, is

a man of limited intelligence; he has merely stuffed himself (and been

stuffed by others) with non-essential facts which he subsequently relegates at the behest of Magnus Magnusson. There is much irony in the fact that what eventually decides his fate is a piece of unacademic wisdom. Mr Bedford cleverly solves the problem of giving the broad-vowelled hero aspirations for higher things by providing him with a wife with the same tastes. Jones, Jack May, instantly recognizable as the Nelson Gabriel of Radio 4's *The Archers*, is an ideal choice for this role. Another ideal choice is the man chosen to play a surgeon. He is the real Magnus Magnusson. The facts-regpository is played by John Duttine

WHAT THE SYMBOLS MEAN: † STEREO
* BLACK AND WHITE: (v) REPEAT

Classified Guide

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The most wanted men in Britain

By Stewart Tendler

There are different impressions, released by Scotland Yard yesterday from witnesses' testimony of three of the men believed to have been involved in Saturday's bomb explosion outside Chelsea barracks which killed two and injured 37.

On the right are two impressions of the man who detonated the bomb by remote control. He is in his early twenties, 5ft 7in, slim athletic build, tanned with a complexion almost olive. Short black, well-groomed hair with a prominent parting on the left. He was wearing a fold-away light blue smock-type anorak with white draw strings on the hood. He was seen standing outside a post office in Ebury Bridge Road with a

shoulder bag and holding a piece of paper.

This bomber was seen on scaffolding three hours before the explosion receiving electric cable and walking coolly away after the blast.

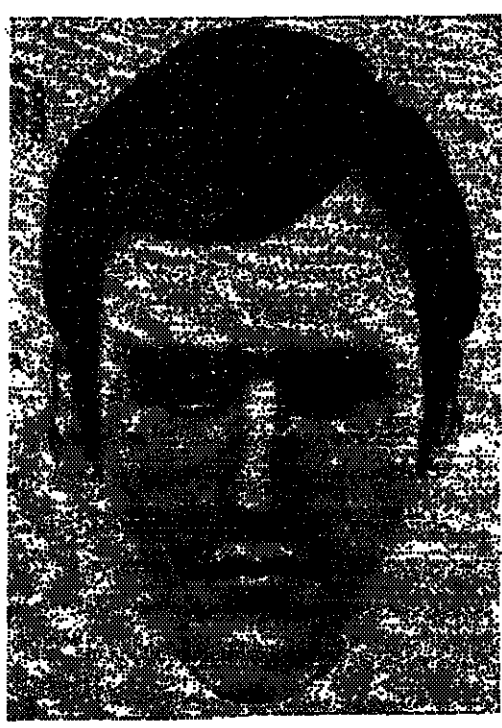
Commander Michael Richards, head of the anti-terrorist squad, said two accomplices in boiler suits (below), who pushed the van with explosives into position had earlier got out of a dark green VW Beetle parked in Ranelagh Grove. The van was seen parked in Primrose Hill with a "broken down" notice on the windscreen. Police also believe the bombers had look-outs on the top of Fountain Court, a block of flats near by.



● He pushed the bomb van. Two impressions. He was between 22 and 25 years old, 5ft 10in, with dark curly hair, of stocky build and clean shaven. He wore a new light blue, one-piece boiler suit.



● He laid the centre wire. Three impressions of a man seen throwing cable to the man who set off the bomb. He is aged between 27 and 33, 5ft 8in, medium build, with dark bushy moustache and very sallow complexion. He was wearing a grey woollen hat and curls of dark-coloured hair peeked out. He wore a light-blue, apparently new one-piece boiler suit.



Frank Johnson on Heath and the Tories

Please don't applaud, it may irritate your neighbours

A former leader of the Conservative Party went on the rampage in a decaying, run-down area of inner Blackpool yesterday, causing thousands of worth of damage to the Government.

Unemployment was the main reason, Mr Heath has been unemployed since 1975. Some work was found for him on the Brandt Report—an imaginative scheme designed to provide useful employment for out-of-work international students. But such short-term public works can be no substitute for a government of one's own.

Moreover, the situation has been aggravated by years of Central Office harassment and harassment against him. Yesterday the powder-keg finally snapped, as the saying goes.

Mr Heath did not see the day's events in the above terms. He thought he was making a constructive contribution to debate. A lot of Conservatives agreed with him, though not the majority. And there is no doubt that if you see the situation from his point of view, no harm was done—quite the opposite. Whatever the rights and wrongs, Mr Heath's presence, whether in or out of the hall, has dominated the conference.

The situation has been taken so much for granted that it is worth remembering how unusual it is in the Conservative Party for a former leader to be anything other than loyal or dead.

We all watch Mr Heath to see when he applauds, for how long, and for whom. His motives are the constant topic of our chatter. He may deplore the Conservative Party's policies which he is all about. But it is all inevitable. He is playing a high hand.

As for the rest of the proceedings, the aptly named blimp, professional Northerner who is this year's Conference chairman, Mr Fred Hardman, is proving a superb performer. The conference chairman is often an ingratiating, Wodehouse-style, genuine or feigned, with some such name as Richard Handley-Davenport-Fanshaw, MBE, later Sir Richard.

Such chairmen grovel even before Under-Secretaries winding up on pensions, and dare not terminate the speeches of the local government windbags. Mr Hardman is a chairman of vision and imagination.

"Thank you very much, that was very interesting. We should continue this some other time," he suddenly boomed in the middle of an expert speech on European agricultural policy.

Mr Hardman was equally courageous, even with some of the female councillors during local government and rating reform. He will be one of the few conference chairmen to deserve his knighthood.

Aside from Mr Heath, the speech of the day came from Mr Peter Walker, the Minister of Agriculture, Fisheries and Food, winding up on agriculture. To hear him tell it, he had done almost as much for agriculture as fertilizer. "We have improved the whole vast of marketing. The British apple is now on the offensive," cried this Montgomery of the market gardens. "It is the French who are now defending. We are taking the biscuit to Europe on a massive scale. British sweets are being chewed and devoured on an unprecedented scale throughout the world—I have been accompanied by British toothpaste and British toothbrushes."

By now he was delicious: "We are actually selling sweethearts to Italy. Bulbs to Holland. Brussels sprouts to Brussels! A certain sleight of hand there, surely. Any minute now and it would be French to Chile. He sweated. Where would it end? French polish to France! Spanish fly to Spain! Here was a man capable of bringing dash and excitement to the activities of the beloved old Minister of Agriculture and Fish. A touch of Churchillian grandeur, too. He referred to it as "The Ministry over which I have the honour of presiding."

Winding up the economic debate, Sir Geoffrey Howe, the Chancellor, received a big standing ovation. His speech was sound rather than something at a luncheon meeting organized by the Conservative graduates. It is an error to assume that his speeches are gruff and

humourless because he knows no other way. He can make jokes if he wants to. "Please don't applaud," he told the conference when he arrived on the rostrum for his speech.

It is just that usually he prefers the heavier touch. There is a kind of dogged integrity about that. No one can say that he is a product of slick public relations. He scorns linking passages and graceful allusions from one subject to another. At lunchtime he chopped from one topic to the next like a man who has no time for niceties. Interest rates (disastrously high). Salt (where needed). British Nuclear (terrible). But also a thing which has to be justified to idealistic young people: task for leadership. Educational vouchers (terrible idea). Will split party: split country, too: alienate teaching profession: never get through Commons anyway: Sir Keith Joseph a complete so-so. World leadership (not enough of it about).

In the hall later, before a vast crowd, the rostrum besieged by photographers, the television lights blazing, his staff was taut. He listened respectfully to what he protested about high interest rates and unemployment. But then he claimed that world leadership was "paralysed". This was widely taken as a reflection on the British team taking part in world leadership: the woman sitting directly above him. There were tense catcalls. Mr Heath remained impassive, but he began to ramble. There were cries of "Time". He resumed his seat amid a respectful, but cautious ovation.

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Labour fears rail strike reaction by voters at by-election

By David Felton
Labour Reporter

The two wings of the Labour movement are bringing increasing pressure on the train drivers' union to call off the one-day rail strike planned for next Wednesday, because of the effect it might have on the Labour vote in the Croydon by-election the next day.

Labour Party officials have contacted the Associated Society of Locomotive Engineers and Firemen, and yesterday union leaders put pressure

on Mr Ray Buckton, the union general secretary, to persuade his executive to call off the strike.

The union has not received an official request to call off the strike from Mr Michael Foot, leader of the Labour Party, although union sources indicated last night they expected one soon.

Mr Buckton attended a meeting yesterday of Trade Unions for the Labour Party, the organization which was established to work for the return of a Labour Government. The

meeting discussed ways of increasing party funds, but it is thought some union leaders took the opportunity to point out the dangers of a strike to Mr Buckton.

A decision to call off the strike would have to be taken by the Aslef executive, and last night it was being said that any official request from Mr Foot would receive a sympathetic hearing. In the meantime, members of the executive are touring the country to win support for the strike instruction.

The union believes it has no alternative but to call the strike as a protest against planned cuts in inter-city services. Mr Buckton has said that "if the public are not prepared to act over the cuts, then we have to".

British Rail argues that the strike would be counter-productive and could affect the Government's decision on whether to provide further funds for electrification. It is thought that, if BR was prepared to offer talks to the union on the basis that the proposed cuts could be open to re-

consideration, the Aslef executive would consider that its stand on protection of the rail network had been vindicated and could call off the strike.

The other two rail unions—the National Union of Railwaymen and the Transport Salaried Staffs Association—say they were not consulted on the strike decision and have instructed their members to work normally on Wednesday. The NUR has some train driver members, but it is thought not enough to provide even a skeleton service.

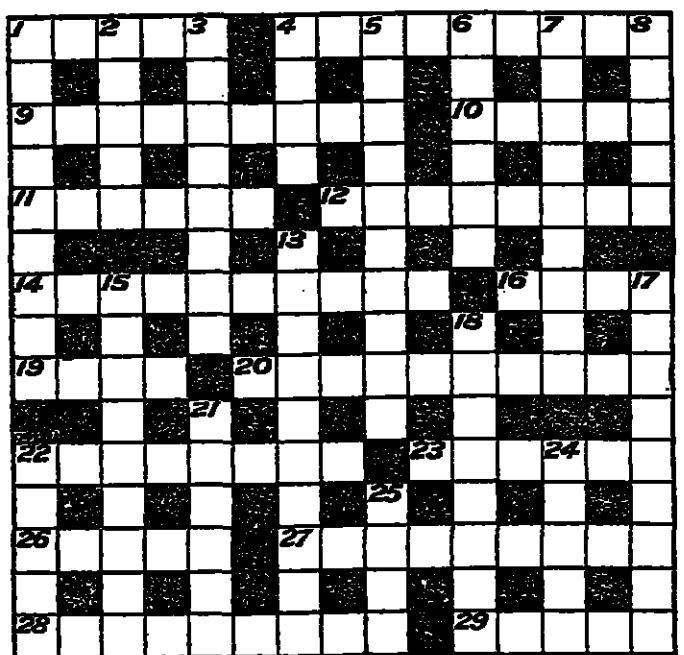
THE TIMES INFORMATION SERVICE

Today's events

Princess Anne, as President of the Children's Fund, attends branches' conference and annual public meeting of fund, Queen Elizabeth Hall and Royal Festival Hall, 12; attends performance by

Spanish Riding School of Vienna, Wembley, 7.40. The Duchess of Gloucester visits RAF Leuchars, Fife, 11.30. The Duke of Kent, as chairman of National Electronics Council, attends Mountbatten Lecture, Royal Institution, 6. The Duchess of Kent, as patron

The Times Crossword Puzzle No 15,654



- ACROSS
- 1 Army support for missile-launcher? (5)
 - 2 They show what to expect at any stage (9)
 - 3 Teardrops from them? From their victims, more likely (9)
 - 4 Such a word is coined occasionally (5)
 - 5 This club is not for revolutionaries (6)
 - 6 Border the scene of fighting? That's right (6)
 - 7 Where to hear swing music? (4)
 - 8 Evidently not working clothes (4)
 - 9 This cat resembles ape (4)
 - 10 Contradiction of idea that money talks? Right (4,6)
 - 11 Menace low card, mainly with a higher one (8)
 - 12 Way you see sound firm which goes to the wall (6)
 - 13 Shaw for example (as assumed by Lawrence) (5)
 - 14 Charge for carriage, not liquor (9)
 - 15 They may exhibit sterling qualities (9)
 - 16 Converter of French, repelling evil (5)
- DOWN
- 1 Drug needed for one of Macbeth's victims (5)
 - 2 Not on the active list? (5)
 - 3 Assumed by cheerful beggar? (4,4)
 - 4 Not an aquatic game (4)
 - 5 Firm statements of such policies (10)
 - 6 Prescribe articles, with fruit-eating (8)
 - 7 Oxford has more degrees in this than Cambridge (9)
 - 8 Shake this weapon, Ian, like Will (5)
 - 9 He admits that is his job (4,6)
 - 10 I lack integrity, though unbiased (9)
 - 11 Ships RN chooses to be reviewed... (9)
 - 12 Here? Point to top of mine (8)
 - 13 Payment for life? (6)
 - 14 Iago's purse? (5)
 - 15 Albert is on watch (5)
 - 16 She's interrupted by pop! (4)

Solution of Puzzle No 15,653

Across: 1. TROOP; 2. SPECTACLES; 3. SPECTACLES; 4. SPECTACLES; 5. SPECTACLES; 6. SPECTACLES; 7. SPECTACLES; 8. SPECTACLES; 9. SPECTACLES; 10. SPECTACLES; 11. SPECTACLES; 12. SPECTACLES; 13. SPECTACLES; 14. SPECTACLES; 15. SPECTACLES; 16. SPECTACLES; 17. SPECTACLES; 18. SPECTACLES; 19. SPECTACLES; 20. SPECTACLES; 21. SPECTACLES; 22. SPECTACLES; 23. SPECTACLES; 24. SPECTACLES; 25. SPECTACLES; 26. SPECTACLES; 27. SPECTACLES; 28. SPECTACLES; 29. SPECTACLES; 30. SPECTACLES; 31. SPECTACLES; 32. SPECTACLES; 33. SPECTACLES; 34. SPECTACLES; 35. SPECTACLES; 36. SPECTACLES; 37. SPECTACLES; 38. SPECTACLES; 39. SPECTACLES; 40. SPECTACLES; 41. SPECTACLES; 42. SPECTACLES; 43. SPECTACLES; 44. SPECTACLES; 45. SPECTACLES; 46. SPECTACLES; 47. SPECTACLES; 48. SPECTACLES; 49. SPECTACLES; 50. SPECTACLES; 51. SPECTACLES; 52. SPECTACLES; 53. SPECTACLES; 54. SPECTACLES; 55. SPECTACLES; 56. SPECTACLES; 57. SPECTACLES; 58. SPECTACLES; 59. SPECTACLES; 60. SPECTACLES; 61. SPECTACLES; 62. SPECTACLES; 63. 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'Preview' with today's 'Times'

The Royal Academy's Great Britain Exhibition, Newmarket Races, a Special retrospective, the Trafalgar Day parade and Stanley Bagshaw's new television series are among the subjects of today's Preview, the 16-page guide to arts and entertainment in Britain published each Friday with *The Times*.

Woman tells of pressure for suicide

A woman with spine injuries told the Central Criminal Court from a stretcher that a member of Exit, the voluntary euthanasia society, had visited her home against her wishes and tried to persuade her to kill herself. She said she was Mark Lyons and Nicholas Reed, who she had approached Exit when she was considering suicide, then changed her mind. Page 3

Belfast woman shot dead in bed

There seemed little doubt that a new wave of sectarian murders by Protestant extremists had started in Ulster after a woman aged 68 was shot dead in bed at her Belfast home by masked men. Loyalist and Catholic organisations both condemned the killing. Page 2

Grants 'misused' by landlords

Large sums of public money in improvement grants are being used for private gain by landlords and giving them an added incentive to harass tenants in the area in London where Rachmanism flourished in the 1950s, the Raddington Federation of Tenants' and Residents' Associations claim. Page 2

Canetti wins Nobel prize

This year's Nobel Prize for Literature has been awarded to Elias Canetti, the Bulgarian-born writer who lives in London. The Swedish Academy said last summer's riots and is still concerned with the "broad outlook, a wealth of ideas and artistic power". The prize is worth £98,000. Page 9

Riot protesters' court apology

Twenty people, arrested outside Liverpool Crown Court after handing out leaflets about a riot trial, they wrongly thought was taking place there, were freed after they apologised to the judge. Mr William Whitelaw, the Home Secretary, confirmed that a Home Office inquiry had found evidence of racialist attacks, although not an orchestrated campaign. Pages 5, 6

Third man in fight for NUM

Mr Ray Chadburn, moderate president of the Nottinghamshire area of the National Union of Mineworkers, decided to stand as the third candidate for election as national president to succeed Mr Joe Gornley. The other candidates are Mr Arthur Scargill and Mr Trevor Bell. Page 3

Reagan's plea for free trade

Free enterprise, private capital and open world markets could solve the problems of developing countries, according to President Reagan. He proposed a five-point plan for improving the world economic order which included the strengthening of GATT. Page 9

Moonies leader is charged

The Rev Sun Myung Moon, founder of the Unification Church and leader of up to three million Moonies, has been accused of \$112,000 (£62,000) tax fraud. If convicted he could face up to five years in jail and a fine of \$10,000. Page 9

Wildlife Bill

The Government pushed through its controversial proposal contained in the Wildlife and Countryside Bill which will allow farmers automatic compensation when they are refused grants for agricultural improvement schemes due to conservation reasons. An amendment which proposed that compensation should be discretionary was defeated by 59 votes to 57. Parliamentary report, page 8

Leader, page 15
Letters: On unemployment, from Mr Andrew Cooper, and others; exchange control proposal, Mr W. J. Hopper, MEP; Beverley Minister, Sir Brynmor Jones and Mr George Odey. Leading articles: British Leyland; Europe; Mr Tebbitt. Obituary, page 16
Mr Peter Bell, Mrs Ruth Hayman Lazar

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Thatcher still faces Tory rift on eve of rallying call

From Julian Haviland, Political Editor, Blackpool.

The two faces of a divided Cabinet and party were displayed at the Conservative conference yesterday in contrasting speeches from senior ministers which Mrs Thatcher may not easily reconcile when she makes her final rallying speech today.

The starkest contrast was between Mr Michael Heseltine, Secretary of State for the Environment, and Mr Norman Tebbit, Secretary of State for Employment and the fastest rising member of the Government.

Mr Tebbit, who has promoted the Cabinet to curb trade unions which his predecessor Mr James Prior shrank from, pleased the conference by indicating that he will do just that.

He gave no details of his new laws but promised to "loudly" protect the weak against the strong, and provide redress for those unjustly harmed.

The battle over the economy also continued outside the conference with three other Cabinet Ministers at odds. Mr Peter Walker, Minister of Agriculture, again argued the merits of government intervention to sustain industry, while Mr Nigel Lawson and Mr David Howell, respectively Ministers responsible for Energy and Transport, at separate meetings counter-attacked on behalf of Mrs Thatcher.

The economic argument was taken up at another fringe meeting by Professor Alan Walters, Mrs Thatcher's personal economic adviser, who described Mr Edward Heath's past policies as "asinine".

Mr Heseltine, who was charged with studying the problems of Merseyside after last summer's riots and is still concerned with the "broad outlook, a wealth of ideas and artistic power". The prize is worth £98,000. Page 9

Self-help has a limited meaning, he said, "in an age of mass unemployment where 40 per cent of the young are without work".

Three hours later, Mr Tebbit was saying that he himself had grown up in the 1930s with an unemployed father. He did not riot. He got on his bike, and looked for work.

"The overwhelming majority of people want to be helped," Mr Heseltine said in condemning the Government's Youth Opportunities programme. But Mr Tebbit, who is responsible for that programme and clearly in a pensive mood, said in a speech to make a different point. Three million unemployed was an appalling toll, he said, but "of course, some

Living standards must fall, says Chancellor

By David Blake, Economics Editor

Living standards will have to fall if the prospect for jobs is to improve, the Chancellor of the Exchequer said last night.

Speaking at the Mansion House banquet of the Lord Mayor of London, Sir Geoffrey Howe gave a robust defence of the Government's economic policies, employing many of the arguments which he had used to crush his critics at the Conservative Party conference on Wednesday.

In a speech at the same banquet, Mr Gordon Richardson, Governor of the Bank of England, said that monetary targets remained a necessary discipline but stressed that, in the short run, other goals such as the exchange rate had to be looked at. Mr Richardson gave a warning that any recovery was bound to be "gradual", stressing that he did not feel able to predict just when it would

Six charged after police seize gold worth £2m

By Stewart Tandler, Crime Reporter

Five men and a woman were charged last night with customs offences after gold bullion valued at £2m was seized by armed police from a chartered jet aircraft that had just landed at RAF Northolt outside London.

The seizure and a series of raids in London, Leicester, Brighton and Skegness were the final moves of "Operation Finger" which may prove to be one of the largest VAT evasion cases handled by the customs service.

The tip which sparked off the operation came from Scotland Yard's Flying Squad at the end of July. More than 50 armed members of the squad, led by Det Chief Supt Simon Crawshaw, were involved in the raids and the seizure of the aircraft's cargo.

The executive jet flew into Britain from Zurich on Wednesday. It was given customs

Awacs reach Egypt and go straight into action

From Christopher Walker, Cairo West air base, Oct 15.

Two Awacs airborne surveillance and control aircraft were put on an immediate operational footing today, flying patrols inside Egyptian airspace to monitor the recent Soviet-backed military buildup in Libya and Chad. The move came less than 24 hours after the aircraft had left America.

The unexpected decision to put the Awacs straight into action involved the hasty postponement of an official welcoming ceremony planned at this base some 25 miles from Cairo. It came as tension between Egypt and Libya reached its highest point since the border clashes between the two countries in 1977.

No official explanation for the sudden mobilisation of the aircraft was available. It followed an announcement by Lieutenant-General Abu Ghazala, the Egyptian Defence Minister, that Egypt had declared a state of emergency along its border with Libya, where some 80,000 Egyptian troops are on combat alert.

In a statement to the semi-official newspaper *Al-Ahram*, General Ghazala said Libya had mobilised some troops since President Sadat's assassination last week, but they had not yet been ordered to advance to the Egyptian border. He also revealed that Egypt had dispatched anti-aircraft units to Sudan to assist in combating Libyan air raids from inside the country.

The sudden arrival of the Awacs represents a significant increase in America's military involvement in the Middle East at a time of increased tension. The aircraft were sent to the base of President Sadat's assassination last week, but they had not yet been ordered to advance to the Egyptian border. He also revealed that Egypt had dispatched anti-aircraft units to Sudan to assist in combating Libyan air raids from inside the country.

The Awacs will play a key role in next month's expanded "Bright Star" exercise, involving troops from America, Egypt, Sudan and Oman. With a radar range of around 250 miles, they will be able to probe Egyptian defences and to supervise the targeting of Egyptian jets if a pre-emptive attack is launched against Libya.

By sending the aircraft straight into action, the Egyptian leadership has signalled that it is prepared to take a hard line against any Libyan attack and to supervise the targeting of Egyptian jets if a pre-emptive attack is launched against Libya.

The two Awacs were despatched early this morning from Tinker air base in Oklahoma. Mr Libyan reaction: Libya has demanded the withdrawal of the Awacs and the cancellation of the joint American, Egyptian, Sudanese manoeuvres which it described as provocative and aggressive (Qus. Foreign Staff).

A statement issued by the Libyan Foreign Bureau claimed that the United States was "trying to complete the occupation of Egypt... in order to turn it into a centre influencing the region and the American strategy and colonialist objectives".

The statement also called for an end to the "muscle flexing" of the United States and its removal from Arab shores. Saudi Awacs setback, page 9

BL stresses pay benefit to influence strike vote

By Donald MacIntyre, Labour Correspondent

BL cars yesterday stepped up its efforts to persuade its 58,000 workers to accept a 3.8 per cent pay offer on the eve of today's crucial mass meetings at the company's 34 plants.

Most employees will be voting early this morning, less than 48 hours after the warning by Sir Michael Edwards, BL's chairman, that he would dismiss employees who took part in the strike recommended by union negotiators and liquidate the worst affected plants if it goes ahead.

While union leaders declined to take up Sir Michael's invitation to intervene before today's meetings, the company embarked on an intensive internal "communications exercise" aimed at highlighting the impact on average earnings of a substantial increase in bonus payments over the last year.

A modest boost for the company's hopes that a majority will reject the strike recommendation came with the first results from two of the smallest groups.

Nightshift workers at Dunstable Tool and Die, a normally moderate satellite of Cowley, voted by 72 to 22 against a strike and Unipart electricians at Oxford did the same by 14 votes to five.

Leading article, page 15
Game of poker, page 19



Princess Anne wearing glittering jewelry and a smile to match when opening the annual meeting of the Save the Children Fund in London yesterday.

Suspensions grow that Schmidt's illness was nearly fatal

From Patricia Clough, Bonn, Oct 15

West German government officials today failed to dispel mounting suspicion that Herr Helmut Schmidt, the Chancellor, had been critically ill before his successful pacemaker operation on Tuesday.

The first television channel, a radio network and the tabloid newspaper, *Bild*, reported that the Chancellor had suffered from bouts of unconsciousness during which he was in danger of death. Two of the reports quoted his doctors.

Bild claimed that the Chancellor's heart stopped four times in the Koblenz Bundeswehr hospital before his operation and each time was revived quickly by the doctors. It said the Chancellor had suffered periodic moments of unconsciousness since July.

Herr Manfred Labuschke, the head of the Chancellery, told a radio interviewer that the reports were "exaggerated" but Herr Kurt Becker, the government spokesman, was evasive at a press conference after telephoning Herr Schmidt, his wife and his doctor.

Asked if the Chancellor had

had bouts of unconsciousness, he said: "I am not prepared to answer questions. I realise this will increase speculation but I cannot do anything about it."

He said the Chancellor's doctor, Dr Wolfgang Vöpel had spoken to a journalist but denied saying that Herr Schmidt's heart had stopped. Herr Becker refused to describe the symptoms which prompted the Chancellor to consult the doctor, and later remarked: "I keep to myself things I cannot disclose."

Herr Becker would only say that the Chancellor had been suffering from disturbances to his heart's stimulatory mechanism and that this had been completely eliminated with the pacemaker.

The Chancellor fell ill on Sunday but the first that West Germans heard was on Monday when he went to hospital suffering from what was described as a "feverish infection".

On Tuesday, the press was being given the impression that the Chancellor would be back in his office the next day when he was actually about to undergo an operation.

The announcement of the operation that evening said it was a precautionary measure to prevent the danger of heart rhythm disturbances. The next day, Herr Becker spoke of the risk of "dangerous disturbances" and today termed them "further dangerous developments".

There appears little doubt, however, that the pacemaker has solved the problems and the Chancellor is recovering rapidly. He got up yesterday, had a meal with his wife at a table and went outside his room to chat to his security guards.

The West German Government has confirmed that President Brezhnev will visit Bonn on November 23 and 24 for talks which are expected to be dominated by the question of arms reduction. The visit, which has been planned for many months, will be the second meeting between the Soviet leader and Herr Schmidt since the Soviet invasion of Afghanistan and is part of West German efforts to save what can be saved of détente.

Photograph, page 9

Lord Denning attacks law in baby damages case

By Richard Ford

Lord Denning, Master of the Rolls, yesterday criticized Parliament for failing to reform the law on personal injuries despite a plea from Lord Lords in the House of Lords two years ago.

"It makes me wring my hands with despair. I would say to judges, 'Ye fearful saints, fresh courage take!'" he said in the Court of Appeal. He and Lord Justice Shaw and Lord Justice Griffiths agreed on the need for reform because, Lord Denning said, cases of personal injury damages had increased in recent years, largely because of advances in medical science.

There was an imperative need for reappraisal of the law, he said. Lord Justice Shaw summed up the almost impossible task facing judges in such cases saying: "There is a high measure of artificiality in the principles which are applied to this intractable area of compensation for injuries which are destructive of personality."

The three judges disagreed over the damages to be awarded for the pain and suffering of a baby who was "bright as a button". James Croke, now aged nine of Pains Close, Pinner, Middlesex, was condemned to a world of "darkness and immobility when he was born at Northwick Park Hospital, Harrow, went wrong when he was 21 months old.

A High Court judge in November, 1979, awarded a total of £270,000 damages to James of which £35,000 was for "pain, suffering and loss of amenity" which Lord Denning said should be £25,000. He said money was no solace at all when an injured person was not aware of his loss.

The boy's life had been made barren when it had hardly begun. He had no opportunity of enjoying any significant part of his life. The innocent joys of childhood for him, or the awkward pleasures of growing up, of adolescence, or of young manhood or of achievement were all denied him.

Although the three judges upheld, by a majority, the award covering pain, suffering and loss of amenity, they reduced the total damages of £270,000 by £37,000 because of other factors. They felt that two figures covering future loss of earnings and future nursing care were too high.

By cutting the award, the Court of Appeal allowed an appeal by Brent and Harrow area health authority who had admitted liability but argued that the damages were too high.

The boy, who is not expected to live beyond the age of 40, is blind and paralysed in all four limbs and cannot talk. He is dependent on his mother for everything including feeding, washing, changing and dressing.

Lord Denning said that disaster struck James, "a lovely little baby, bright as a button", when he became feverish with symptoms of croup, inflammation of the throat. At the hospital something went wrong with the treatment and while doctors were examining his throat, the boy could not get his breath and his heart stopped.

After the ruling, James's mother, Mrs Teresa Croke, who has given up her teaching job to care for him, said: "If the reduced award is wisely invested I hope it will provide enough." She and her husband, James, a builder, have moved with their two other children to a house where the boy has a special extension equipped to help cope with his needs.

Law Report, page 8

Canadian evidence of 1945 'mole' in London

By John Best in Ottawa and Peter Hennessy in London

Mr Chapman Pincher, the author and journalist, who published material in March suggesting that the late Sir Roger Hollis, former Director-General of the Security Service, MI5, had spied for Russia, urged the Prime Minister last night to reopen the case in the light of new evidence declassified in Ottawa yesterday by the Canadian Government. It appears to confirm the existence of a well-placed "mole" in Whitehall in the 1940s.

Within days of Mr Pincher making his claim in his book *Theirs Trade is Treachery* Mrs Thatcher cleared Sir Roger in a Commons statement. The Canadian authorities yesterday released 6,000 pages of secret testimony given to a Royal Commission on espionage in 1946 by Mr Igor Gouzenko, a cypher clerk in the Soviet embassy in Ottawa who defected to the Royal Canadian Mounted Police in 1945.

Mr Gouzenko, according to the transcript, told his interrogators that he knew of two British officials who had spied for Russia using the codename "Elli". One was Miss Kay Willscher, an assistant registrar in the British High Commission in Ottawa. The other, whose name he did not know, was in Britain.

Miss Willscher was convicted and sentenced to three years' imprisonment. The existence and identity of the British-based "Elli" has never been admitted or officially disclosed, but Mr Pincher continues to maintain it was the codename used by Sir Roger.

Mr Gouzenko, according to Mr Pincher, learned of the London "Elli" during his time in the central Moscow cypher facility prior to his posting to Canada. Mr Pincher added that he had been in touch with Mr Gouzenko in the past few weeks about the Hollis affair.

Mr Pincher said it had been established that the MI5 officer sent to Ottawa to interview Mr Gouzenko in 1945 had been Sir Roger himself. In the early 1970s, after the Hollis case had been investigated first by a joint Security Service-Secret Intelligence Service committee, and then by Lord Trend, former Secretary of the Cabinet, another MI5 officer visited Mr Gouzenko, who lives in hiding in Canada, and showed him the report Sir Roger had filed on his return to London in 1945.

Mr Gouzenko told Mr Pincher it was a travesty of his testimony. He had concluded, therefore, that his first MI5 interrogator must himself have been a spy.

Asked last night if Mrs Thatcher should now reopen the case, Mr Pincher replied: "There are many other reasons why she should think again. This is one of them."

All the people who actually took part in the investigation still believe that Roger was "Elli". Lord Trend took a value judgement and gave him the benefit of the doubt."

Mr Pincher added that much more evidence was emerging soon. The Gouzenko testimony was only the beginning. He declined to be more specific.

Continued on back page, col 2

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Third candidate surfaces in NUM leadership fight

From Ronald Kershaw, Mansfield

Ray Chadburn, president of the Nottinghamshire area of the National Union of Mineworkers, finally decided last night to become the third candidate in the election for a national president.

Mr Chadburn said that on the advice of Mr Joe Gormley, the mining president, he had decided to stand. "I accept that the original fears of splitting the moderate vote were not warranted under the transferable vote system."

The other candidates are Mr Arthur Scargill, the left wing president of the Yorkshire miners, and Mr Trevor Bell, the moderate general secretary of the Colliery Officials and Staffs Area (COSA) of the NUM.

Mr Scargill said last night: "Although I feel more than one candidate will assist my chances, I am not worried how many or who my opponents are." Mr Bell said: "I understand the strategy but it's a bit of a long shot."

Mr Chadburn, who was the first person to announce that he would challenge Mr Scargill, withdrew after Mr Bell decided to stand. Mr Chadburn pulled out in order not to split the moderate vote against Mr Scargill. Since then it has been clear that despite many years underground, Mr Bell is regarded as a white-collar man leading a white-collar section of the union.



Mr Ray Chadburn: "I won't split the moderates."

It is believed that above all, the majority of miners want a miner as president, and although not in tune with Mr Scargill's methods, will either vote for him or abstain. Mr Chadburn has 26 years underground service and, it is felt, that he will capture the moderates who might have been persuaded to vote for Mr Scargill.

Together Mr Chadburn and Mr Bell may prevent Mr Scargill getting the overall majority he needs to avoid a second ballot. Under the transferable votes system, Mr Chad-

burn will pick up Mr Bell's vote and possibly beat Mr Scargill at the final count.

Mr Bell said last night: "I get a feeling that because of the uncertainty of being able to confidently transfer the second vote, this could be doing damage to the moderate campaign. If somebody else comes into the election, and they might well, it will hand the presidency to Mr Scargill on a plate."

He said: "I believe I have had a very definite response at local level in the past few weeks and I think we have seen a trend away from the policies of Mr Scargill and what he represents."

Mr Chadburn has yet to be nominated by his area. Several branches have already decided to support Mr Scargill in favour of Mr Bell because he is a miner candidate.

Mr Chadburn hopes that he will capture the uncommitted support of the other Nottingham branches and that the ones who have decided to support Mr Scargill will reconsider and back him, an opportunity they did not have until yesterday.

Nottinghamshire, which is the second largest NUM area, with 35,000 members has yet produced a national official.

Nominations for the election close on November 2 and voting takes place on December 2, 3 and 4. The result is expected by December 10.

MP refers Thatcher dispute to ombudsman

From Tim Jones, Cardiff

A Welsh MP is to tell the parliamentary ombudsman that the Welsh Office was guilty of maladministration in allowing the company for which Mr Denis Thatcher acts as consultant, to proceed with a development in Snowdonia.

The complaint comes from Mr Dafydd Elis Thomas, Plaid Cymru MP for Merioneth.

The proposed housing and motel development created a storm after *The Times* had revealed that Mr Thatcher, who declared his interest, had written to Mr Nicholas Edwards, Secretary of State for Wales, complaining that because of a delay in holding a planning inquiry "hundreds of thousands of pounds have been locked into an unproductive asset."

Mr Edwards gave permission for the development by Housing Development and Construction Ltd at Harlech after he had considered the report of Mr T. E. V. Hughes, who recommended after he had held a public inquiry that the plan should go ahead.

Gwynedd County Council had objected to the scheme, partly because of its structure plan. In spite of its structure plan, Mr Edwards allowed the development.

In the letter that will reach him next week, the ombudsman will be told that Mr E. M. Roberts, a Welsh Office inspector, referred to the structure plan when, in March 1978, he wrote to Mr David Michael, a resident of Harlech, to explain why planning permission for two houses was being refused.

Mr Roberts' letter states: "Unfortunately I have to say that I am unable to meet your request because there are changed circumstances: in the meantime, in 1977 the Secretary of State for Wales approved the county structure plan for Gwynedd in which it is stated as a matter of policy that where the growth of second homes is causing concern, new housing development will be limited to providing for proven needs."

Mr Thomas said yesterday: "This appears to me to be a case of maladministration."



Signing up: Mr John Osborne, the playwright, and Dame Flora Robson, the actress, signing copies of their latest books, respectively "A Better Class of Person" and "Flora", at a National Theatre Literary lunch in London yesterday.

Kaufman forecasts vicious proposals for rent rises

By Our Planning Reporter

The Government would try to force councils to raise rents by a very large amount later this year, Mr Gerald Kaufman, Opposition spokesman on the environment, said yesterday.

"The details are simple and vicious", he told the annual conference of the National Housing and Town Planning Conference in Harrogate.

The rent increases would result in many councils earning a profit, whether they wished to or not. They would then be told by Mr Michael Heseltine, Secretary of State for the Environment, to use that profit to subsidise their general spending.

"Whether councils raise the rents by as much as he intends or not, and whether they transfer the profit to their general funds or not, he will assume that they have," Mr Kaufman said. "And he will accordingly reduce the amount of rate support grant provided to them by the Government."

Thus district councils, which built and let houses, would get a lower share of the grant, and county councils, which had no housing responsibilities, would get a higher share. Town and city dwellers would be made to subsidise the more well-to-do county areas, he claimed.

Department of the Environment officials pointed out that the Secretary of State had no power to force councils to raise rents.

FATHER AND CHILDREN DIE IN CAR

From Our Correspondent, Nottingham

An unemployed man and his three young children have been found dead huddled together in a council lock-up garage.

On October 3, Mr Derek Taylor, aged 31, his daughters Ann, aged two, and Beverly, aged seven, and son Stephen, aged three, were seen walking near their council home on Nottingham's Clifton housing estate.

Yesterday police found their bodies in a car in the garage in South Church Court, less than ten minutes' walk from their semi-detached house in Wilden Crescent. The family had all died from inhaling car exhaust fumes. Police believe Mr Taylor committed suicide.

A dramatic fall in deaths from cancer of the cervix in Finland is to be reported to the congress this morning by Dr Tapani Kauraniemi, of the Cancer Detection Centre of the Finnish Cancer Society.

According to the Finnish programme introduced in 1970, all women between 25 and 50 are meant to be screened every five years. Of the one million women aged 25-50, about 110,000 are screened annually.

Deaths have decreased by 69 per cent and in women under 45 are only 10 per cent compared with 20 years ago.

Woman says visitor sought her suicide

By Frances Gibb

A woman aged 56, lying on a stretcher and wearing a dressing-gown, yesterday told a Central Criminal Court jury how a member of EXIT, the voluntary euthanasia society, had come to her house against her wishes and tried to persuade her to kill herself.

The woman, who lives in Chelmsford where she is confined to bed with spine injuries incurred in a car accident and with osteoarthritis, said the man had been charming on the telephone when she was first considering suicide, but after she changed her mind and he came to her house he was like a wuore.

"I thought this man had come to kill me, he had come to do me in. He was so nice on the Friday but he became such a nasty devil when he came to my house," she said.

After the woman had refused to go ahead, the man told her she would need his help in the future and would not be able to cope on her own.

He said when you put a plastic bag over your head you will need a rubber band around the neck and someone has to remove the bag and the band to make it look like an accident.

The woman was called as a witness for the prosecution on the second day of the trial of Mr Mark Lyons, aged 70, of Fairhazel Gardens, West Hampstead, north-west London, a part-time EXIT helper, and Mr Nicholas Reed, aged 33, of Sanford Walk, New Cross, south-east London, the general secretary of the society.

The prosecution case is that the two men assisted or conspired to assist other people to kill themselves with the aid of a suicide kit of drugs, alcohol and plastic bags.

It is alleged that the would-be suicides first spoke to Mr Reed, who then put them in touch with Mr Lyons. Mr Lyons who described himself by a number of names, including Dr Lyons, Victor, Arthur, and Dr Arthur, then visited the would-be suicides at their homes and helped them die by means of the kit.

Mr Lyons is accused of murdering one of the victims and of aiding and abetting five others to kill themselves. Mr Reed faces two charges of aiding and abetting and they both face three charges of conspiracy to aid and abet. Both deny all charges.

The woman in court yesterday told how she had got in touch with EXIT. She spoke to a man calling himself Arthur and said she wanted someone to visit to discuss her health with her and her husband because she was considering "doing herself in".

The man on the telephone said he was a doctor and a medium, and told her he could see a blue light around her, which was a good sign. He also asked if she had any tablets, which she said she was to leave out for him, the woman said.

The man arranged for a friend of his, Miss Sheila Morrison, to visit her. She came during the weekend, (in November 1979) and succeeded in cheering the woman up, the court heard.

When Arthur next telephoned, the woman said, she told him she had changed her mind and did not wish him to come. He insisted he would as he was visiting Chelmsford.

The woman said that on Monday, November 12, a man rang the doorbell, and she let him in. He was dressed in a knitted sweater, a cardigan, and mittens, and carried a holdall.

He asked for £5 for his train fare and was refused.

When she asked him what he could tell her about the euthanasia society, he replied: "I have come to tell you you are not going to pull through: you will never get better. I know, I can tell."

The man, called Arthur, then said: "I think we had better get it over with." The woman told the court: "I asked, 'What over with?'"

The man, she said, replied he had "it" in his suitcase, adding: "The longer we sit here talking about it, the worse it is going to be for you."

She told the court she became curious as to how far he would go. Arthur then described two different ways of death, she went up a few stairs towards the bedroom and then turned round, saying she did not want to do it. The man became rude and vulgar.

Cross-examined by Mr John Mortimer, QC, for Mr Lyons, the woman admitted two errors of recollection over what was said in specific telephone conversations. He challenged her recollection over the plastic bags and maintained that these had never been mentioned.

The hearing was adjourned until today.

Doctor had life or death dilemma

From Arthur Osman, Leicester

Dr Leonard Arthur's views about malformed babies had a respected place, even among fellow paediatricians, who did not agree with him, it was said at Leicester Crown Court yesterday.

Dr Robert McLennan, a former colleague who was senior house officer in general paediatrics at Derby City Hospital, when Dr Arthur, the consultant, is alleged to have murdered John Pearson, a three-day-old Downs Syndrome (mongoloid) baby last year, said Dr Arthur was "no freak" nor was he a cruel man.

He agreed when questioned by Mr George Carman, QC, defending, that he had seen consultants who were very much the same as those held by Dr Arthur. He said that if a baby was born severely handicapped mentally and physically and parents showed the slightest desire or interest in keeping the child then Dr Arthur "would sustain every effort to encourage the mother to keep the child".

Earlier Dr McLennan, who is now doing GP training at Edgware, was questioned by Mr Douglas Draycott, QC, prosecuting, about the remark on the baby's case notes by Dr Arthur which read: "Nursing care only." He said that this meant the baby was not to be fed. He had never prescribed the analgesic drug DF118-dihydrocodeine. If a decision had been made that the baby was not to survive, for whatever reason, he thought it important the baby should be made comfortable.

Mr Draycott: "From Dr Arthur's notes did it appear that a decision had been made?" Dr McLennan: "Yes it does."

Dr Arthur, aged 55, of Church Broughton near Derby, has denied the charge. The prosecution has alleged the child's parents rejected the baby and Dr Arthur noted "Nursing care only". He also prescribed DF118 which stopped the baby sucking for food and impaired its breathing. A toxic level built up in the child to three times that which would have killed an adult. Cause of death was bronchopneumonia.

Dr McLennan said the child's mother, Mrs Molly Pearson of Worksworth, Derbyshire, had felt the baby was going to be abnormal but did not tell her husband. The doctor had noted "Mum feels he (the baby) will be a strain on the family and her daughter and is not anxious to keep him."

He told Mr Carman: "She was more definite about rejection than most mothers in similar circumstances."

He agreed that the consultant paediatrician was in the front-line make had to make the decision one way or the other.

The trial was adjourned until today.

RABIES INQUIRY REJECTED

A further inquiry into the death from rabies of Mrs Andrea Milliner, aged 22, will not be held. Gloucestershire Area Health Authority said yesterday. Relatives wanted a public inquiry into how three doctors failed to diagnose the disease despite repeated visits by Mrs Milliner, of Victoria Road, Stroud, to her own doctor and a local hospital after returning from a holiday in India, where she had been bitten by a dog.

A verdict of accidental death has been recorded by an inquest. The health authority said its procedures and systems were as good as it was possible to make them.

POLLUTION FINE

York Waterworks Company was fined £500 yesterday for causing a 10 kilometre oil slick in the River Ouse at York, in June. The slick came from a fractured oil pipe at the company's waterworks.

Deportation plea won by Italian

Patricia Giambi, the Italian student arrested during the Brixton riots and described by police as an anarchist, won her appeal against a recommendation for deportation at the Inner London Crown Court yesterday.

Miss Giambi, aged 25, of Coldharbour Lane, Brixton, had served a 28-day prison sentence imposed by Old Street Magistrates' Court last month for using threatening behaviour. The recommendation was sent to the Home Secretary at the same time.

Mr Lionel Lasseman, for the Crown, said Miss Giambi was caught during the riots on April 11. Later her home was searched and anarchist literature taken away.

"She has interest in matters which would suggest her presence at the riots was as an agitator rather than merely a participant," he said.

Mr Macdonald, for Miss Giambi, said the suggestion she had investigated or organized the riots was "ridiculous".

Miss Giambi, a former kindergarten teacher with no previous convictions, spoke little English at the time and would have been incapable of urging others to riot.

On the appeal, Judge Edward Cox said there had been no evidence of Miss Giambi taking a leading part in the riots.



Illegal parking clampdown

Mr Paul Moore, vice-chairman of the Greater London Council transport committee, demonstrating yesterday one way of dealing with illegal parking. The council is seeking powers to use the immobilizing clamps, which would be unlocked upon payment of a fine, in next year's transport Bill. The clamps are used in France and the United States.

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Conservative Party Conference 1/ Employment Secretary outlines his policy to protect the weak against the strong

Tebbit union curbs ready for Cabinet approval

Reports: Alan Wood, Bernard Withers, Geoffrey Browning, Sara Bower and Tony Hodges

Legislative proposals for further reform of the trade unions would soon be put before the Cabinet, Mr Norman Tebbit, who has been Secretary of State for Employment for a month, told the Conference. He had no wish to bash the unions, he said, but he was not willing to stand aside if they began to bash those weaker than themselves.

"We are not union bashers," he declared. "I have never bashed a union in my life, but in the winter of discontent, how many of the old, sick, unemployed, disabled were bashed by the unions?"

Mr Tebbit, replying to the debate on a motion dealing mainly with the unemployed, said he had studied the legislation enacted by his predecessor, Mr James Prior, in the first step of his step-by-step approach — which he (Mr Tebbit) endorsed — and the responses to the Green Paper of February.

"My conclusion is," he said, "that there is need of further steps, and it is time another step was taken. With that in mind, I have prepared proposals for legislation in the next session of Parliament which I will shortly be putting to my colleagues."

No one outside the Department of Employment, not even the Prime Minister, had seen that package, so he could not open it for conference, much as he would have wanted to do so. "But it is not an attack on trade unionists," he said. "Nothing in it would have impaired my work in the past as a trade unionist (Mr Tebbit was an official of the British Air Line Pilots Association) seeking to improve the lot of my fellows by improving our ability to create wealth and prosperity for our employers and ourselves."

His proposals would seek to improve the working of the labour market, which could only be to the advantage of workers and consumers, who were the same people in different roles. Above all, his package would use the power of the law for the true purpose of the law: to protect the weak against the strong and to provide redress for those who were unjustly harmed by the action of others.

The squalid scenes at the Labour conference during the election of the deputy leader, Mr Ian Gledhill, had concerned many people within and without the union movement. He had no endorsement for heavy-handed regulation of the industrial relations of unions, but they were powerful and privileged bodies and there was concern about the way they conducted their affairs.

So in a spirit of friendship, not of confrontation, he was ever ready to meet them to offer his help in hastening the reforms that might be needed.

Mr Joan Hall, Bradford, North moved and conference carried a motion recognizing the Government's priority of reducing the rate of inflation, by calling for more urgent action to be taken to reduce unemployment.

Mr Douglas Brown, Yorkshire, called for more youth training and Mr Howard Flight, Southark, said that the private sector had been squeezed too hard by failure to tackle monopoly powers.

Mr Rowena Mills, Farnham, said a new approach to the structure of wage settlements was needed. People must be disinclined to the idea that they were entitled to a reward commensurate with the amount paid by employers on the national insurance surcharge and the removal of petty local restrictions that prevented the employment of more people.

Unemployment policy was indivisible from an economic policy, Miss Hall said. The first priority should be to ensure that the taxpayers' money already being spent was being used with prudence and economy.

There was a proliferation of training programmes by central and local government which should be coordinated to avoid overlapping. The Government should look at the Employment Protection Act, which had become a legal jungle. Many businesses would like apprentices but could not afford them because of the minimum wages laid down by wages councils.

Mr Alan Freeman, East Flintshire, opposing the motion, said it did not get to the nub of the issue. The Employment Protection Act was a legal jungle and had forced him to close part of his business. Many small businesses with fewer than 10 employees would take them if they were exempted from the Bill.

Mr Andrew Mackay, Stirling, said something should be done about the lack of skilled apprentices because of the economic pick-up, the workers' need would not be available. Mr Jay Gohel, of the Anglo-Asian Conservative Society, opposed the motion, not for its legitimate desire for prosperity and full employment, but because it was based on reality. It diverted the nation's attention from the economic mess inherited in 1979; now that productivity had gone up and there was a forward drive in the export market, the Conservative policy was just beginning to succeed.

Mr Ian Pictou, of the national Young Conservatives, said the level of unemployment was morally unacceptable and must be brought down or the next election could be lost. The people who would then take over would destroy the Conservative policies needed to get Britain going.

Mr Spencer Batiste, Sheffield, Halesley, said that to create new jobs, the Government had to create a new climate, whereby more goods and services could be provided which could be sold at a profit. The indispensable preliminary to that climate was the control of inflation. That was why he opposed the motion. It fell into the trap of accusing inflation and employment of being conflicting priorities.

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thousands of millions of pounds had gone into helping industry and saving jobs. The unemployment total was appalling. The price being exacted could not be ignored, but he grew up in the 1930s with unemployment. His father had not rioted. He got on his bike and looked for work. (Applause)

People should be done with the lie that the Government had used unemployment as a weapon in some doctrinal or class war. The world economy had slipped into recession and every fact of life was against Britain. New technologies threatened traditional jobs. Above all, much of government, industry, and commerce, was overmanned. Was unemployment a surprise, an act of God, an Act of Parliament, or an inevitable result of the follies of governments, workers, unions, managers, financiers and employers? Not many could make a plea of not guilty and get away with it.

"Let us set recriminations aside. Let us not hawk our consciences too openly." The heart of the matter was the struggle to regain competitiveness against rivals, to hold down costs against theirs, and to regain markets at home and abroad.

"Let us talk of confrontation, but not with each other, but with the Germans and the Japanese and the others in the markets of the world. That is where we need confrontation." The fight against rising prices must go on. The inflation rate was still higher than for some of the country's key competitors and they would take Britain's markets unless Britain fought back. In private enterprise, helped by a holiday from strikes, realism in pay bargaining and rising productivity, prices were rising more slowly. But with honourable exceptions, public sector inflation, especially among the monopolists, was far too high.

Britain had given up the fight against inflation, sterling would tumble inside the EMS or outside, food and material prices would soar. Would that create or destroy jobs?

"I am not willing to throw away the prospects of lasting recovery in an orgy of self-indulgence, false sentimentality and self-justification, and no one in this country is. There is no other way to win back customers, which means to win back jobs, than to beat inflation and to beat the competition."

The Secretary of State went on to outline the schemes and measures being taken to help the unemployed. The special employment measures programme would cost £1,000 million, saving some 320,000 jobs next year, that would rise to 450,000 people at a cost approaching £1,500 million. This was hardly the work of a hard-faced socialist government that did not care.

Not all the schemes were as good as he would like and he was concerned to improve both the quality and extent of the programme in the future. They could turn the tragedy of youth unemployment into an opportunity to create a better trained and skilled workforce for the future.

Mr Tebbit said there were those who could see no hope, nothing good, ignored the hopeful signs and wallowed in forecasts of unending misery. He was not one of those. He saw the hard times of today as the price of the soft days of the past, but also as the opportunity to come together in adversity and build for the future.

The Secretary of State, who received a standing ovation, concluded: "Let us have courage. Faint hearts never won fair lady. Our fair lady has no faint heart. Let not our hearts fail her; let us not again lack the courage to take the prize which is so near at hand."

Mr Patrick Thompson, Norfolk, North, said the success of the party would depend on its organization and state of readiness. "We must reconcile ourselves to building up organization now for a general election, even on the boundaries, if this should prove necessary."

Mr Ian Worley, of the British Conservative Association in France, said he spoke on behalf of 200,000 Britons excluded from the democratic process. If a quarter of them had voted Conservative at the last election, 40 marginal Labour seats could have been taken by the Tories. They would have driven out Sam Silkin, Bob Croyer, Shirley Summersell, Joan Lester, "smother" David Owen and Tony Benn (applause and cheers).

Britain was the only major European country which excluded its citizens abroad from voting at home.

Mr Mayhew, MP for Rye, said people wanted to be able to get on as soon as possible with the job of organizing within the new boundaries that were certain to be formed once the boundary commissions had reported. "They want to get on with it and we want to get on with it, not for party advantage, but because the democratic process demands it. So we are all on the same side and we are worried that time is going by," he said.



Boundaries

Plea for new brooms to sweep quickly

The independent boundary commissions for England and Wales and for Scotland have told the Government that they expect to complete their reviews of constituencies by the end of 1982 and submit their reports soon afterwards.

Mr Patrick Mayhew, Minister of State, Home Office, replying to calls for the swift reshaping of constituencies, said he doubted if the commission for Northern Ireland would be later than that. He promised that the Home Secretary would not follow the appalling precedent set by Mr James Callaghan, then Home Secretary, when the commissions reported in 1969.

The next election could be fought in constituencies with boundaries 18 or more years old which included a new generation of rotten boroughs. Mr Michael Holt, Cottingham, said: "That was the risk if the recommendations of the boundary commissions were not put into effect soon."

Mr Holt successfully moved a motion urging the necessity of an immediate redistribution of boundaries. Recent years had seen the greatest movement of population since the Black Death, with a new generation of rotten boroughs. Old Sarum was not as rotten as Newcastle Central and Gateshead West were today.

A Speaker's conference should be called to reexamine the subject of constituency boundaries and of electoral law. Why should citizens of the Irish Republic be entitled to be on the electoral register? That was nonsense.

Mr Stephen Freeland, Chorley, said that tinkering with the boundaries would only make the situation slightly more fair. The boundaries would still be out of date with great variations in size. The system would still be unfair to ethnic minorities.

There was a substantial minority who should be represented in Parliament but did not get the chance because of the single-member constituency. The system was also unfair to women candidates.

Mr Martin, Lewes, said that the party should not change the rules of the game because it faced difficulties. Britain was the best system of its type of democracy, with one member, one seat. In West Germany 8 per cent of the electorate chose the government. Was that fair? The main electoral reform needed was the better distribution of constituencies.

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Inner cities

'Reaping the whirlwind of all our yesterdays'

Outlining government policy in the inner cities Mr Michael Heseltine, Secretary of State for the Environment, aroused the conference with an impassioned call that Conservative politics and policies must deny voters and wreckers any fertile ground in which to sow the seeds of discontent.

He looked upon the conference, he said, as a reappreciation of faith in the mainstream of Conservative policy and philosophy. Too often, Britain had squandered its inheritance, and the inner cities were the signposts of journeys of despair.

"We are reaping the whirlwind of all our yesterdays," he said, "earning at the end of his speech a prolonged standing ovation from many representatives."

Mr Heseltine made clear that there would be no recovery in the inner cities without more resources in the form of investment from the private sector, or the better use of existing public programmes; with, perhaps, if there was a case for it, extra public expenditure.

The traditions of Darrell strongly the whites who rioted alongside them. He supported the police in their brave and unenviable task of restoring stability in society, but the rioters were a tiny section of the black and white population, the overwhelming majority of whom deplored the riots as violently as the conference did.

"But the fact remains," he said, "that of these black communities who stand for the same values that I have described, too many of them are people who know that the education they obtain, the jobs they are offered and the careers that are open to them, do not match up to the finest traditions upon which we pride ourselves."

There is a challenge here in the conditions we work on from the Labour Party because they totally failed to match the scale of the challenge to be found in the inner cities. Not only must they give the police the proper equipment, but also the best relations with local communities. For decades after, decade they had denied industry the climate for sufficient investment.

Mr Heseltine traced the history of the cities and described how people and industry had gradually moved out, leaving a vacuum. No one should believe that the problems could be solved quickly, or by the application of some simple formula or theory. The crisis had grown because of a variety of reasons. No one should believe that the problems could be solved quickly, or by the application of some simple formula or theory.

The Labour Party, masquerading as a local authority association, has called for a million pounds to attack his proposals. "That is a price to have on one's head," he commented amid laughter. It was also quite a lot of grants for talented students or old people's home wardens. It was a lot of money for authorities who claimed he had driven them into the ground.

He had been accused of tying the wrists of local government behind his back, but there would be many who said: "Would that he was." He would give one word of advice to the sponsors of this campaign: "Do not put ideas into people's minds."

Authorities claimed they had a mandate for spending. "Let us find out how good a mandate it really is," he said in referring to his plans for local referendums on rate rises. The Government's concern about the inner cities was wider than Merseyside, although the problems there were as acute as any. But there had to be a commitment beyond the role of central government involving

the private sector. He outlined housing and industrial policies designed to help the inner cities, the search for land, the new enterprise zones and urban development corporations.

About 30 leading banks and insurance companies, building societies and pension funds were exploring with him and how they could make it profitable for a larger flow of private investment in the cities.

He warned that they could only act on a scale and with a speed that was the measure of the present recession. Self-help had a limited meaning in an inner city community when 40 per cent of the young groups might be without work, and if they were young, black, it might be 60 per cent. They must realize the scale and impact of concentrated unemployment.

Mr Jeremy Hanley, Lambeth Central, moved and conference carried a motion that the 1981 census had shown the migration from our inner cities, leaving behind embittered and racially imbalanced communities. It said that the wave of mindless violence, greed and crime shown in the summer masked the long-term implications of inner urban decay and that the Government should create a programme for urban regeneration for the health of the nation as a whole.

The riots should be put in perspective, Mr Hanley said. They were not representative of life in the inner cities. To believe so would be a betrayal of the people who did not go on the streets to riot.

The fact the riots focused world attention upon the inner cities was no justification for the violence. Unemployment was not the sole cause. Many of the shops burnt down would not open again and many businesses had taken the opportunity to move to areas of lower rates.

Mr Anthony Steen, MP for Liverpool, Wavertree, and chairman of the urban and new towns affairs parliamentary committee, opposing the motion, said it would be wrong to have a national urban strategy if that meant more central and local government intervention and injections of public money, that would not work.

Conservatives should get government off the backs of people and give them more freedom. Private investment was needed in the inner cities.

Mr Peter Jones, Vauxhall, said new offices, factories and homes would be in the interests of the people and the economy. It was essential for the capital to be mobilized for the regeneration of the inner cities.

Mr Peter Phillips, Coventry, South-East, said Britain must look for a positive contribution from its new citizens. The Government had allowed a great reform in enabling council-house tenants in inner city areas to buy their homes at up to half price. The time had come to make a new start in tackling urban renewal.

Mr Anthony White, of the Conservative Medical Society, said employers were supposed to employ a certain percentage of disabled if they had a staff of 20 or more, but that was often ignored. Could there not be a quota system as in some European countries?

Mr Hugh Rossi, Minister for Social Security, said companies were supposed to employ 3 per cent of disabled workers, but only 1.9 per cent of the total work force was registered as disabled, so it was obviously impossible to implement. The quota system abroad was looked on unfavourably, because some firms opted to pay the financial penalty rather than employ the disabled.

Mr Roy Wilson, Yorkshire, asked for a review of the methods of establishing mobility allowances. Mr Rossi said there was no longer a need for a medical examination. There were regional medical officers experienced in making assessments of the degree of such disability.

Debates today: morning—House of Lords reform; European Economic Community. Afternoon—Address by the Prime Minister.

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No dark age, Pym says, just mid-term depression

If Conservatives could not convince people that they were still the party of one nation then discontented Conservative voters might drift off to the Social Democratic Party, Mr Francis Pym, Leader of the Commons, warned in replying to critics of the party's presentation of policy and public relations.

If that happened, the result then would most likely be not an SDP government, he said, but a Labour government. That was the danger.

In seeking to reassure those of the party faithful already worried about Conservative prospects of winning the next election, Mr Pym emphasized that just at this stage — mid-term of the parliament — it was easy to lose a sense of perspective. "We have not entered a new dark age," he declared. "Our nation still has enormous strengths and advantages. It has fallen to us many times before to lead our country through hard times."

He contended that the next election would be harder to win than any in Britain's history and it would matter more than any. The choice the electorate would be faced with was between the Conservative party, getting to grips with the basic problems and rebuilding for the future, and the other parties with their cure-alls, slogans and doctrines.

No amount of explanation, on the doorstep or anywhere else, said Mr Pym, was going to make people accept cheerfully what was blatantly bad news. In this situation, Conservatives must explain over and over again the cause of the events, how and why they happened, and what had to be done to bring better times. The British people knew in their hearts the truth of that message although they must prevent the country from becoming disheartened.

The Government and party must not lose sight of their objectives or achievements,

many of which he listed, maintaining that for the first time in years there was a government plainly determined to tackle the underlying problems also for the first time. It did so without a credible or trustworthy opposition party in Parliament. There was no help to be looked for in the new awkward combination of Liberals and Social Democrats.

The Conservative Party alone under Mrs Thatcher's unswerving leadership, was facing up to the issues and the country knew this.

The conference carried a motion welcoming more publicity on cogent explanation of government policies together with more astute timing of the implementation of these policies.

Miss Sara Littlejohn, Oxford, said people would not stay loyal to the government unless they were given long, clear explanations of its policy. Conservatives would lose the faith of people not because their methods were wrong, but because they had forgotten to tell the people why.

Mr David Mercer, Swansea, West, opposing the motion, said the conference gave bold clear explanations of policies and ministers were making speeches all the time. Allegations were to the left, but many of their great national newspapers were owned by people like that practitioner of socialist economic theory, Mr Rupert Murdoch. In the national media there were well-known revolutionaries, Mr Jimmy Young, Mr Alastair Burnet and Sir Robin Day, a man who was equally obnoxious to everyone.

Debates today: morning—House of Lords reform; European Economic Community. Afternoon—Address by the Prime Minister.

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Conservative Party Conference 2/Dissent on the fringe: Lawson and Walker at odds on the economy

Monetarist warns wets: stop playing with fire

By Philip Webster

Mr Nigel Lawson, one of the Cabinet's leading monetarists, played the critics of the Government's economic strategy, telling them to drop their high moral tone and accused them of prescribing policies that would engulf Britain in a holocaust of inflation.

In a scathing denunciation of the arguments advanced this week by Mr Edward Heath, Mr Norman St John-Stevens and Sir Ian Gilmour, he told a Selsdon Group fringe meeting: "What we are being offered is little more than cold feet dressed up as high principle." And he warned them that they were playing with fire.

Mr Lawson, the Secretary of State for Energy and former Financial Secretary to the Treasury, said the Conservatives had won the last election on a platform of conquering inflation by reducing government spending, borrowing and monetary growth.

Today, half way through our first term of office one or two of those who fought on that same platform and accepted Cabinet office in a Government committed to carrying it out reveal that they reject it root and branch.

They were calling for higher, not lower, spending; higher, not lower, borrowing; and higher, not lower, monetary growth. And he was puzzled by their call for Britain to join the European monetary system.

The whole point about the EMS was that it was a form of financial discipline and would require precisely the sort of policies the Government was pursuing.

Mr Lawson said the critics claimed their approach would produce a superior economic results. "If they do believe this it seems to be a triumph of hope over experience. God knows we have tried this route before in this country. There is nothing new about it."

"Some of those who support government economic policy are accused of being too wedded to theory. The ultimate absurdity is in remaining wedded to a theory regardless of what has happened in the real world and regardless of whether that theory has been put to the test in the real world and tested to destruction."

"The critics," he said, argued that the present policy was politically unacceptable. The Government's sin was to have subordinated politics to economics. That reminded him of Mr Baldwin in the 1930s, over the rearmament issue.

"You cannot fight the war against inflation successfully unless you have economic policies that make sense. There is no point in deluding yourself that somehow politics can trump all that. Politics is vitally important, but to get the economy on its feet again the economic policies have to be right, just as to win a war, defence policies have to be right."

The critics feared that with present policies the Tories would lose the next election. "I believe they are profoundly wrong, but at least I would ask them to drop their high moral tone because there really is nothing that is moral or com-

passionate in prescribing policies which would engulf this country in a holocaust of inflation.

"What we are being offered is little more than cold feet dressed up as high principle. It is very close to bribery dressed up as statesmanship. The goodies they were now being asked to pay out in extra spending would have to be paid for by future generations. Mr Lawson declared: "This is not the Tory tradition. It is a travesty to pretend it is."

If the Government's policies were wrong it would change them straight away. But they were not wrong. Inflation had been curbed and industry's efficiency was being transformed. Re-election was always difficult for any government, but one thing they would make re-election impossible would be if they were to say now: "Sorry folks, everything we have been doing over the past two years has been wrong. We have just discovered our critics were right. We are going to do the reverse."

Mr Lawson continued: "Let us not say, for Christ's sake, that that is the way you win elections."

He told the Government's critics that they were not merely rocking the boat in political terms. There was a potential economic cost. "Those who say now publicly, 'Let us abandon the financial discipline and go back to the bad old ways of the 1960s and 1970s can only... persuade those who harken to them to postpone the adjustments and accommodations that are absolutely necessary."

He concluded: "I say to our critics, whose sincerity I have no wish to impugn: of course, you have every right to speak out. When you do so, remember, I beseech you, you may be playing with fire."

Another Cabinet minister turned on the doubters. Mr David Howell, Secretary of State for Transport, in an optimistic assessment of the state of the economy, told a meeting in Southampton: "There never was a time when Britain was more at risk from pedlars of soft opinion which lead us straight back into the wasteland."

He did not mention Mr Heath, Mr St John-Stevens and Sir Ian Gilmour by name but said: "The irony is that, while impatient demands to 'do something' abound, the underlying economic situation in Britain is becoming more robust." Competitiveness was increasing, the trend of wage settlements was modest—giving the lie, he said, to the immature belief that something called an incomes policy was needed—and productivity was growing.

The medium-term trend of inflation would be downwards, he added. The Government was working soberly and patiently to build bridges to the future. "Smash these aside with the impatient demands for spending cash as yet unearned and you mortgage the future and prepare for Britain just the same path as Germany took in the 1920s."



Unscheduled fringe activity: pensioners, not without good humour demonstrate outside the conference hall at Blackpool. Their complaint—that pensions have not kept up with the rise in the cost of living. (Picture: Peter Trievnor.)

Thatcher adviser calls Heath policy asinine

By George Clark

Mr Edward Heath was criticized last night by Mrs Thatcher's personal economic adviser, Professor Alan Walters, for giving a false account of the causes of inflation in 1973-74 under his administration.

Professor Walters, making his first public speech in a political setting since his appointment, was addressing a meeting held under the aegis of the Centre for Policy Studies, set up by Mrs Thatcher, Sir Keith Joseph and others.

At one point, answering a question, Professor Walters

said that Mr Heath had pursued "such an asinine policy" when he was in power. He hurriedly corrected himself. "Would you scrub that from the record," he said. "It was a bad policy, such a terrible policy."

In his main address, Professor Walters referred to his time as an economic consultant to the late Professor Harry Johnson, himself, and a number of other economists in 1973, enclosing an article pointing out that even from 1973 onwards, though import prices had risen, we were still exporting inflation, not importing inflation, and we continued to export inflation throughout 1974. If you have a balance of payments deficit of

£4,000m, that is an immense amount. Mr Heath appears to forget that he received that letter."

In the text of his speech circulated earlier, Professor Walters stated: "As economic policy developed in 1971 I was quite convinced there would be a massive inflation and a balance of payments deficit and all the other sad signs that we had seen so often before when the British government decided to go for growth."

Events later vindicated his worst fears, Professor Walters said. "There were many post mortems on these tragic years, the mistakes of which we are still paying for even today."

Many attacks of racist origin

By Hugh Noyes

Mr William Whitelaw, the Home Secretary, yesterday revealed for the first time some of the findings of the Home Office investigation into racist attacks, which was set up in February. Speaking in Blackpool at a meeting of the Joint Committee against Racism, the group which first brought these incidents to the notice of the Home Office, Mr Whitelaw indicated that many of the attacks had been confirmed by the inquiry but that his officials had found no evidence of an orchestrated right-wing campaign behind these attacks.

He emphasized, however, that it would not have been easy to find firm evidence, and lack of it did not mean that there was no orchestration. The Home Office study was complete, and was now being written, added Mr Whitelaw. He would be studying it alongside Lord Scar-

man's report on the inner city riots which he expected to be published next month.

The Home Office study, said Mr Whitelaw, showed that there was considerable variation in police practice throughout the country and also in relations between the police and the ethnic communities. While some relationships were very good there were also some very bad relationships. Mr Whitelaw said it was interesting that some of the places with the best practice did not have the riots that other places had. The areas without riots were those that had the best relations between the police and the community.

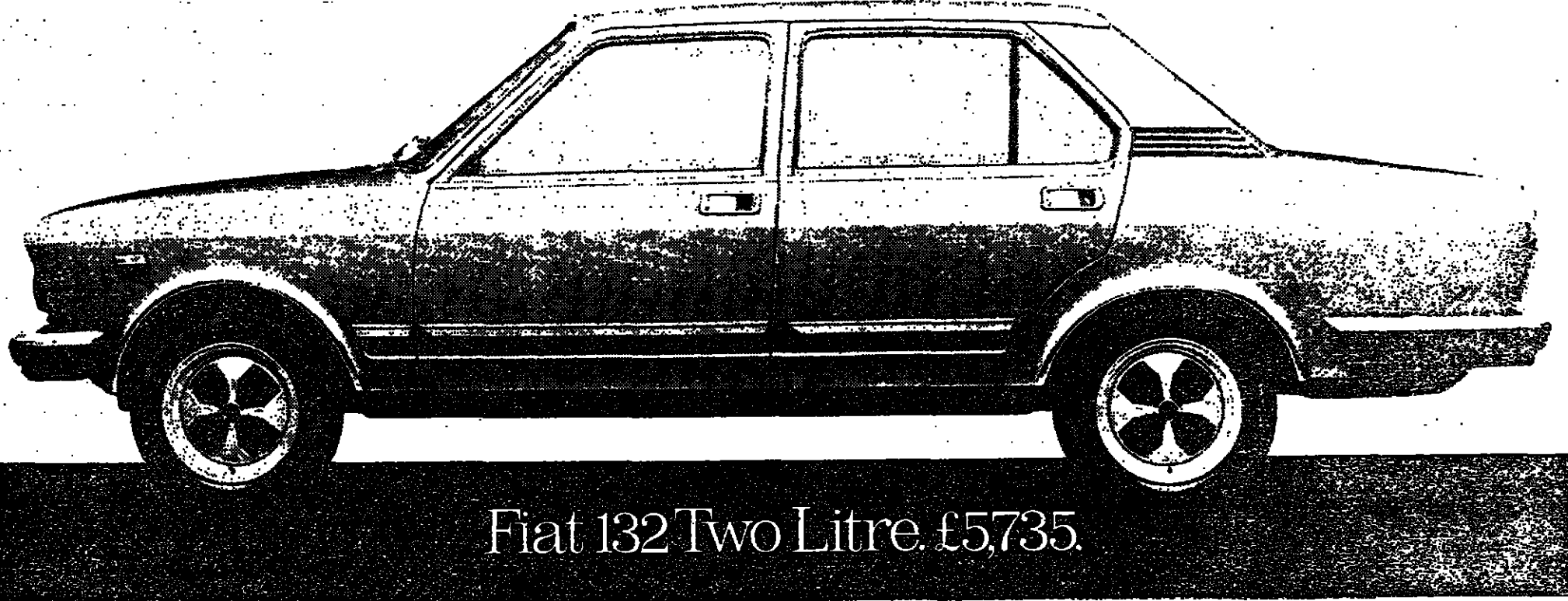
Mr Whitelaw emphasized that the study showed that mistakes occurred on both sides. The police, he said, could be successful in establishing good relations with community leaders.

Immigration not controlled

Speaking at a Moulday Club fringe meeting on immigration, repatriation and British nationality, Mr Harvey Proctor, MP for Basildon, said it had been suggested during an earlier debate at the conference that immigration was under control. That was not the case.

More immigrants from the new Commonwealth and

Pakistan had arrived in the country last year than in 1973; that was in spite of a pledge in the Conservative manifesto of 1970 that there should be no further large-scale immigration. Since that pledge, 30,000 immigrants had arrived. When would ministers seek to reassure the indigenous population with action as well as words that the flow would be stemmed, he asked.



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'Put people before a single doctrine'

By George Clark

A Conservative government should put the needs of the people before adherence to any single economic doctrine, Mr Peter Walker, Minister of Agriculture, Fisheries and Food, told a meeting of the Tory Reform Group.

The reason the Tory Party for half a century has been the party of government is because it has been considered to be the party of sound management, sensible and pragmatic, and aware of the needs of the basic occupations of the ordinary people.

When Mr Walker, one of the strongest critics of monetarism, was asked if the present Government was living up to that tradition, he sidestepped the question. He fell back on the standard explanation that he was a member of the Cabinet and took full collective responsibility for its decisions and actions.

But in his long review of the state of the party, he seemed to claim that he and other ministers who shared his convictions had been successful in turning Mrs Thatcher and the rest of the Cabinet away from the strict monetarist doctrine to more pragmatic policies.

After listing the factors that had led to high unemployment, Mr Walker said: "There is nobody who has the divine wisdom to make all the judgments on the complicated structure of our economy correctly, sensibly and always successfully."

"Anyone who has that task has a very delicate task indeed. The purpose of the Government should be to obtain a middle course in which we see that wages and productivity are as closely allied as possible; in which the fruits of productivity are fairly distributed; and in which our currency reflects the true ability of British industry to compete. Those are very difficult judgments to make."

Government had also to recognize that the liquidation of industries at a time of expansion could result in transferring wealth from declining to expanding industries; but in a period of recession and economic decline liquidations often

resulted in the destruction of wealth.

"The plant and the people remain; the plant to rust and the people to be looked after by those still able to continue production," Mr Walker said. "Then suppliers to those firms collapse, customers go elsewhere, and the absence of suppliers and customers makes recovery difficult, if not impossible."

That was why the Government had stepped in. "Had we not intervened as a government, we would have lost our ship-building, coal, aircraft engine, motorcar and steel industries, together with a multitude of their suppliers. Unemployment would have roared through the three million mark at the cost of colossal public expenditure and the foreign import would have replaced the British product."

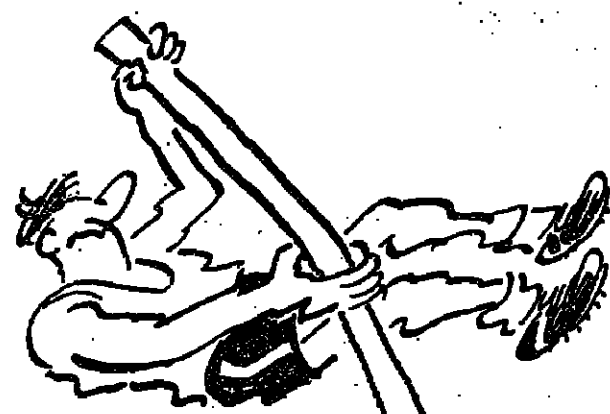
Therefore, it was totally correct for the Government to have used public expenditure in an interventionist way. As a result, those industries would emerge better able to compete and to obtain bigger orders on the world market.

In the next few years, British economic strategy should concentrate on British commercial competitiveness and the ability to produce and defeat rivals, particularly Japan, West Germany and the United States. "Those are not countries which leave their industrial progress to free market forces alone," Mr Walker said.

"We are going to be on the forefront of the 'sunrise industries' based on the new technologies, pursuing policies through the National Enterprise Board."

To be successful it was necessary to get in Britain the same kind of cohesiveness between workers and management, and the backing of the financial system, as existed in Japan and Germany.

Quoting the late Mr Iain Macleod after the Conservative election defeat of 1964, Mr Walker said that the party would win the next general election only by winning back the support of the people in the centre ground.



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Toxteth group apologizes for leaflet contempt

From Our Correspondent, Liverpool

Twenty supporters of the Liverpool Eight Defence Committee were arrested yesterday for contempt of court for handing leaflets to jurors going into Liverpool Crown Court, who they thought were on a riot trial jury. They later apologized when they appeared before Mrs Justice Heilbrunn.

Mr Andrew Rankin, QC, who appeared for them, said it was abundantly clear the depths of emotion some of them felt. They had acted in ignorance of the law, not appreciating they were committing a serious criminal offence of interfering with the process of justice.

"I am now asked to say on their behalf, that each is humbly sorry that passion has been allowed to override their judgment. They did not realize the enormity of what they were doing."

Mr Philip Hall, for the prosecution, said he now offered no evidence and the charges were withdrawn.

The judge told the 20, who sat on "barriers" benches, that in view of the handsome apology they had made to the court, through their counsel, and the fact that there would clearly be no repetition of what had taken place, they could now all go.

The judge had earlier ordered the arrests after pamphlets produced by the committee were handed to jurors entering the Crown Court. The protest was in support of a teenager facing riot charges but misfired because it was held on the wrong day.

The pamphlets claimed that Denis Korie was due to face charges connected with the Toxteth riots. But, in fact, he faced the court on a charge unrelated to the riots. The defence committee had apparently made a mistake.

Mr Korie, aged 17, of Roseberry Street, Toxteth,

was cleared along with another man of going equipped for theft on June 14 after police offered insufficient evidence. He remains in custody and is due to face charges relating to the Toxteth riots in the near future.

A warning that if social tensions are allowed to continue in inner cities there could soon be further outbreaks of rioting, was given yesterday by Mr Peter Kelly, chairman of the Greater Manchester Police Committee. (John Charters writes from Manchester).

Mr Kelly, who was speaking at a press conference after the publication of the independent Hytner tribunal report into the Moss Side riots last July, said that the most important part of the report had shown how young people, living in one of the most sensitive areas of the nation, had responded to social tensions.

Mr Kelly, who is chairman of the committee involved in the policing of the second-most densely populated area of England outside Greater London, said there were no signs on the political horizon that such tensions were likely to be reduced, in view of the present national economic climate.

Unless these tensions are reduced, I believe we may see further major breakdowns in law and order, not only in Moss Side, but not only in Greater Manchester, but in other inner city areas in the next few months of our life. It is the main concern of us all.

Mr Bernard Clarke, leader of the Labour-controlled Greater Manchester Council, which commissioned the independent tribunal into the riots, said that the 30,000-word report was "very weighty". He promised that it would be considered carefully by his council.

From yesterday's later editions

Bishop criticized over handling of court case

The Chancellor of the South-west Diocese has criticized Dr Maryn Stockwood, former bishop, for his handling of a consistory court case in July last year.

The case concerned a petition for a faculty to permit extension alterations to St Mary's Church, Barnes, west London.

Because of defects in the petition which Dr Stockwood did not spot, there had to be a supplementary case which was heard by Chancellor E. Garth Moore.

In a reserved judgement, Chancellor Moore said he would not revoke the faculty which Dr Stockwood had granted. But he suggested that the parishioners who had contested the petition at the original hearing ought to ask Dr Stockwood for a personal contribution to her costs.

GLC censure move

Conservative attempts to censure Mr Kenneth Livingstone, leader of the Greater London Council, seem unlikely to attract support from the Labour councillors.

Sir Horace Cutler and 24 other Conservative GLC members have called a special council meeting next Wednesday to censure Mr Livingstone for "misusing his position to further his extreme views on subjects over which the council has no jurisdiction."

The Labour group will meet before the meeting, but its members are divided between a small number who would like to see him ousted and a larger group who would be content to curb his penchant for controversial public statements.

EXPENSIVE EGG

A youth who threw an egg at the Prime Minister in Bristol last June was sent to a detention centre for three months yesterday. Brian Eamer, aged 18, of Bantry Road, Knowle West, Bristol, had denied using threatening behaviour.

Ecologists condemn soil dumpers

By David Nicholson-Lord

The protest group which claims to have taken anthrax-infected earth from the uninhabited Scottish island of Orkney, was criticized yesterday at the Ecology Party's annual conference.

Mr Paul Ekins, the party's general secretary, described the group's action as irresponsible and appealed to it not to distribute any more samples of the soil.

Two boxes of soil have been discovered since the group, calling the operation "Dark Harvest," last week announced its latest protest against the wartime germ warfare experiments on Guernsey, which has been closed to the public since 1941.

Tests on the second sample, taken from a site near Blackpool Tower on Wednesday, will not be complete until the weekend, the Department of Health said yesterday. The first sample, dumped at the Chemical Defence Establishment at Porton Down, Wiltshire, was found to contain small quantities of anthrax spores.

Mr Ekins' appeal for restraint came as the party conference opened in Malvern, Worcestershire. He said: "Although we agree with the object of the group, which is to bring public attention to the fact that these experiments in germ and chemical warfare leave a deadly legacy for future generations, we cannot condone the action."

Mr Ekins said similar experiments to those which left Guernsey uninhabitable were being carried out now at Porton Down. We would ask the British people whether they want to take the risk of part of the mainland becoming like Guernsey.

Police in Lancashire yesterday said that the tin box found on Walsingham, at 330 feet, the highest level of Blackpool Tower open to the public. The box which was apparently marked "anthrax soil" was inside a polythene bag. A tighter watch is now being kept on Guernsey, according to people living on the mainland opposite the island.



Prisoners make a run for it

Mr Joe Whitty, Governor of Askham Grange Women's Prison near York, is encouraging his long-term prisoners to go on the run with him.

Mr Whitty, aged 47, seen here with a group of inmates, is taking the women jogging on quiet country roads around the prison as a build-up to a sponsored marathon run planned for next year. The women, who are serving sentences between 18

months and life, are aged between 24 and 36. They all volunteered to take part. Their offences include murder, manslaughter, robbery, conspiracy, fraud and theft, but now Mr Whitty, who is a former rugby union county player, says that long-distance running is helping to rebuild their characters.

He said: "No-one can say that these girls won't suffer if they are to achieve a marathon. But at

the same time they'll be doing something positive to regain their self-respect and self-image, which by definition is damaged when they are sent to prison."

Christine, aged 35, who is serving eight years for conspiracy, said: "The governor allows us to do things on our own initiative. Running not only helps us to overcome boredom but it gets your body together as well as your mind."

Shrine's golden jubilee Walsingham's revival celebrated

By Clifford Longley, Religious Affairs Correspondent

Few institutions celebrating their golden jubilee this year can be as sure of their future as Walsingham, the Norfolk shrine-village which has recovered its fame after centuries as a mere local folk-memorial.

Today it celebrates the fifteenth anniversary of the opening of the Anglican shrine church, but the festivities could as well apply to events 920 years ago when the history of the affair began.

The spontaneous success of the twentieth century revival of Walsingham, shown by the annual attendance of as many as half a million pilgrims and the gradual upward curve of the graph year by year, is assured by Walsingham's status as a sign of the times undreamed of by the London intelligentsia. It is a place where to be English and Christian does not seem to call for defensiveness, whether apologetic or aggressive.

Henry VIII's suppression of the monasteries brought an abrupt end to Walsingham's reputation as the foremost place of pilgrimage in England, where kings and commoners came to gaze at the allegedly miraculous Holy House of Nazareth revealed to the Lady Richeldis in 1061. It was a twentieth century vicar of Walsingham, the Rev Alfred Hope Patten, who launched the revival and drew the first trickle of new pilgrims.

He found the old seal of the priory in the British Museum and the statue of the mediaeval image of Our Lady

of Walsingham carved for his parish church. It was the true rebirth of a cult whose significance seems hardly yet to have been unfolded.

Walsingham soon acquired a Roman Catholic shrine in rivalry to the ornate "Italian" building in which Mr Patten housed his replica, with a Roman Catholic rival replica of the same ancient image. In a strange reversal of the usual architectural contrast between the two churches, the Roman took over a mediaeval Gothic chapel, the so-called "Slipper Chapel", in which pilgrims had once called to pray on their way to the old shrine itself. This year they have opened a fine modern shrine building, with much ecumenical goodwill from the "other" Walsingham shrine.

The end of the old denominational tension has in the last two years been sealed by the reciprocal visiting of the two shrines by Cardinal Hume and the Archbishop of Canterbury, Dr Robert Runcie. It is hardly possible to talk any longer of two parallel Walsingham shrines, as the great majority of pilgrims seem to want to visit both centres and the diversity has become part of the attraction.

The Anglican shrine is still uncompromisingly Anglo-Catholic, with Masses, roses and Benedictions, but even Evangelicals no longer take offence. The Bishop of Norwich, the Right Rev Maurice Wood, is strongly of that ilk, but talks warmly of the spiritual benefits he himself derives from visits to Walsingham. And Walsingham

now attracts those of Free Church persuasion too.

The Ecumenical Society of the Blessed Virgin Mary, together with a series of appreciative books from non-conformist authors, have together gradually spread the idea that devotion to the mother of Jesus is not necessarily a Romanist deviation. It is also regarded as a valuable defence against the clouds of philosophical obfuscation with which some modern theologians seek to demythologise the ancient doctrines all churches have in common.

Dr Runcie, after leading the national Anglican pilgrimage to Walsingham last year, said: "It is highly significant that a strong incarnational and sacramental faith appeals, where the more verbal and frankly suburban version of Christianity normally presented as Church of England, fails."

The celebrations begin this evening with a torchlight procession through the village to the parish church, carrying the statue. Some of the distinguished persons who make up the committee of Guardians, including members of the Lords, are then to take part in a continuous vigil of prayer until a solemn Mass, presided over by the Bishop of London Dr Graham Leonard, takes place in the middle of Saturday. More processions and services, including a sermon from the head of the Roman Catholic shrine, will culminate in a consecrated Mass for all pilgrims on Sunday morning.

COMA MAN'S SON IS FOUND

The son of a man in a coma after a shooting incident has been found after an appeal by a High Court judge.

Medical experts believe the voice of Tristan Chubb, aged three, is one of the few things likely to bring Mr Patrick Chubb, aged 33, back to consciousness.

The boy, who is a ward of court, and his mother, Mrs Sylvia Chubb, aged 26, have been missing since October 6, two days after Mr Chubb went into a coma.

Mr Justice Ewbank made an appeal for public help to trace the boy on Tuesday. He said yesterday that Tristan, his mother and sister had been traced as a result of newspaper publicity.

INSULATION 'CAN SAVE £5,000'

An investment of £4,000m to £5,000m in home insulation is called for in a discussion paper published today by the Electricity Consumers' Council and the National Consumer Council (Robin Young writes).

The paper argues that such a programme could cut the country's annual energy bill by £1,000m, and prove cost-effective for the nation and for individual consumers.

The existing "Save It" campaign, the councils say has failed to reach tenants and other groups.

CAUTION FAILS

A divorcee who was so frightened of thieves she took £10,000 worth of gold and diamond jewellery with her wherever she went, had the property stolen from her car parked outside an evening art class at Southend, Essex.

Woman's ordeal

Miss Michal Elliott, aged 36, was tied up and left for nearly 12 hours in freezing temperatures in her shop in Oldgate, Morpeth, Northumberland, by thieves who got away with about £1,000.

Bad shoes harm 75% of children

Annabel Ferriman Health Services Correspondent

Most children wear ill-fitting shoes and have foot problems by the age of 13, according to a survey of 200 children in east London.

Only a quarter had no discernible foot problems, such as toes curling under, one toe on top of another, or bunions, and only 27 per cent had shoes that fitted properly.

The survey, disclosed at a seminar on foot health in London yesterday, showed that by the age of 13, girls were more influenced by fashion than boys and chose less well-fitting shoes. Only 18 per cent of girls had fitting footwear, as opposed to 36 per cent of boys.

More than 1,000 elderly people were also surveyed, of whom 87 per cent had toe deformities. Only 14 per cent thought that their shoes had any effect on their feet.

The survey was carried out by Miss Judith Kemp, district chiropodist for the City and East London Health Authority.

Quest for Salvation Army chief

By Our Religious Affairs Correspondent

The 44 members of the high council of the Salvation Army begin the conclave-like process of electing a new general to lead them today. Their Sistine Chapel is a mansion in Surrey overlooking the Thames. However long it takes, they will select candidates from among themselves, parade them in front of the council for questioning, and vote by a series of secret ballots until the winner emerges.

By all accounts he will be white, from the West, and male. Like all the other generals who have followed in the footsteps of the revered founder, General William Booth. Nevertheless, for the first time in recent memory outsiders can glimpse some of the tensions between reformers and conservatives, and the pressure for change appears to be closer to the surface.

It is noted by some of the more reform-minded high council members that only two of their number are women, in spite of the technical equality which women enjoy in appointment and promotion. It is also noted that the commanders of overseas regions tend still to be white even where the local membership is overwhelmingly of colour.

Some members seem to be concerned that the basic vision of the movement, carried abroad too inflexibly, and that a movement born in the nineteenth-century slums of London is too rooted in its historical origins.

The Salvation Army may have to rethink its populist appeal and broaden the intellectual base of its message, according to one commissioner, if it is to carry credibility with highly educated minds.

The election of a new general takes place every five years.

The retiring general, General Arnold Booth, is regarded as a status quo man, and such clues as there are point to his successor being in the same mould.

OPPOSITION JOIN DOCKS BOARD

The leaders of three east London boroughs, who strenuously opposed the setting up of the London Docklands Development Corporation, have now agreed to join the corporation's board (John Young writes).

They are Mr Paul Beasley, of Tower Hamlets, Mr John Hart, of Newham, and Mr John O'Grady, of Southwark.

Mr Beasley said yesterday it had not been an easy decision to take. "I have no doubt that we will get a lot of political flak," he added. "But we all feel that what we have done is in the best interest of the boroughs."

ARMY OFFICERS CLEARED

Two army officers accused of failing to supervise a soldier who fell to his death while abseiling down Raven's Crag in the Lake District, were cleared of blame by a court martial at Aldershot, Hampshire yesterday.

Captain Peter Dinwiddie, aged 26, and Lieutenant Christopher Harvey, aged 25, were found not guilty of conduct prejudicial to good order and military discipline. It was stated that Sergeant Richard Murphy, aged 18, of Formby, Lancashire, died when his line gave way.

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PARLIAMENT October 15 1981

No Sunday reprieve for wildfowl

HOUSE OF LORDS

An attempt to impose a ban on Sunday wildfowling was rejected by 59 votes to 68. Government amendments to the Wildlife and Countryside Bill were considered in the Lords.

Lord Melchett, for the Opposition, sought to restore a uniform ban across the country on wildfowling on Sundays.

This was originally put in the Bill after a Government defeat in the Lords, but was later overturned in the Commons.

He said that they should include the ban in the Bill once more, as this would make the national situation simpler and fairer, and make accurate counts of wildfowl easier to obtain.

It was not true to say, as had been said in the Commons, that it was at present legal and an absolute right to shoot wildfowl on Sundays throughout the country.

There were about one million wildfowling areas in the country, and in fairness one day of the weekend should be available to birdwatchers to pursue their hobby uninterrupted by the blasting of shotguns, as was the case in areas like Norfolk.

This would also give wildfowling a day when they were less likely to be disturbed by birdwatchers. Conflict was inevitable if Sunday wildfowling continued.

It was helpful to have one day a week, particularly in winter months, when birds and fowl—particularly protected species—were free from wildfowling.

A uniform ban on hunting one day a week would be a relatively modest proposal. In European terms, as many countries had two, three, and even four-day bans in the week.

Conceding that there had been expressed about the working classes who went wildfowling on Sundays, but that Saturdays were just as popular, he also went birdwatching in areas like Norfolk, where wildfowling was banned on Sundays.

In voting for a Sunday ban, the House would be implementing a recommendation of a departmental committee on wild birds in 1919.

The Earl of Avon, for the Government, said that the Government believed that further protection for species should be given if there was a conservation case. There was no suggestion that there was a conservation case for a complete prohibition on Sunday shooting in the United Kingdom.

There the Government saw no reason to disagree with the Commons. Local custom should be respected, and the Government believed it right to allow the traditional practice of local democracy to continue, rather than impose a new restriction where it was not wanted by local inhabitants.

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where rare birds were concerned. For those with shoots of their own, and who could choose their own time, there was a tradition of no shooting on Sundays. But for many people, they could only practise their sport at weekends, and Sunday was 50 per cent of the time. The Government saw no justification for a ban.

Lord Melchett, moving that the House should disagree with a further Commons amendment, said the effect of what the Commons had taken out of the Bill was to make clearer what could and could not be shot with an air weapon and to make it clear to the enforcement authorities when they could and could not take action.

The Commons had misunderstood what the Lords had been trying to do.

Lord Houghton of Sowerby (Lab) said the House should read the report of the Commons committee stage proceedings. Duty was the word. A moving picture had been

presented of the bankruptcy of the air gun manufacturing industry, millions of unemployed, falling exports and rising unemployment as a result of restrictions imposed on the use of air guns by Lords amendments.

Lord Melchett: Seeking uniform controls

He said (he went on) hating the air gun. I wish we were. We are hardly restricting its use. It is marginal. All this weeping over the manufacturers made me sick.

Even if (he continued) we were banning the air gun altogether, it would not listen to the bleats of the manufacturers. I suppose they bleated when we decided to ban the gun.

Probably in earlier days some manufacturers bleated when Parliament decided to ban the man trap. Somebody will always bleat.

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Lord Belstead, Under-Secretary of State, Home Office, said mistaking the circumstances, these offences could, for example, include offences against the person in varying degrees of gravity. There were a range of powers already in existence to deal with most instances of air weapons misuse.

It was, in addition, already an offence to carry a loaded air weapon in a public place or as a trespasser on private land without lawful authority or reasonable excuse.

The problem was one of enforcement rather than of inadequacy in the existing controls. Rather than legislation, the most effective way of achieving the laudable objective of the Bill was for parents to instil into their children a knowledge of how a gun should be handled and when it ought to be used.

Lord Melchett's proposal was rejected by 58 votes to 75—Government majority, 13.

Commons amendments which would enable farmers to automatic compensation whenever they were refused grants for agricultural improvement schemes on the ground that they would adversely affect natural beauty, wildlife or amenity, were opposed by the Earl of Onslow (C).

He proposed an amendment making compensation discretionary.

Was it really conceivable, he asked, that a Conservative Government was going to enact a piece of legislation which would enable a farmer to claim £70,000 and £300,000 a year, presumably he would be taxed as earned income, when there were three million unemployed?

The financial implications were horrendous and worried many people, including the Countryside Commission, he said.

Lord Stanley of Alderley said to every senior officer of every national park. They all thought it was a disaster.

This right approach was that compensation should be paid where it could be paid in cases of hardship.

Lord Onslow's proposal struck at the principle that when a farmer was forced to conserve against his financial ability there should be a measure of conservation.

I read *The Times* this morning on this subject (he said), a paper which I have read with interest. The proceedings on this Bill in the House of Commons were a disaster.

Lord Onslow's amendment was rejected by 57 votes to 57—Government majority, two, and the Commons amendments agreed to.

Such a disaster, he said, was expressed in a report by the youth culture, education, information and sport committee.

Mr Christopher Jackson (East Kent, Ed) said that countless millions of babies in the third world were incapable of obtaining satisfactory growth on their mothers' milk, but the report failed to make constructive suggestions to help.

It was ridiculous and wrong to suggest that a code could be imposed on other countries using baby food from EEC countries. Milk powder was made up with polluted water and impurities. It should be made up in conditions where it was properly used.

Mr Karl-Heinz Narges, for the commission, announced that they had started work on a Community directive on the extra-territorial application of the World Health Organisation code.

Signorina Castellina's report, on behalf of the development and cooperation committee, endorsed the WHO code and called for the Community to enforce it.

Mr Derek Enright (Leeds, Soc) said that the directive was necessary. In Brazil in 1959 nearly all babies were breast fed and now

scarcely more than a third were. He suggested the report because it showed that the Parliament was not willing to put cyanide into baby bottles and kill them.

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Like other peers he had received strongly worded objections from the Association of County Councils, the Royal Town Planning Institute and other bodies. Feelings of concern among all who cared about the environment were running high on this matter.

On the principle, there was a strong feeling that it was wrong that mandatory compensatory payments should be made from public funds to prevent agricultural schemes being undertaken which were deemed at governmental level not to be in the wider public interest.

Local discretion was the essence of the matter. Yet, under the terms of the Commons amendments, the Nature Conservancy Council and the national park authorities or planning authorities would have to implement ministerial guidelines about which they had not yet been consulted and would have to pay up.

Lady White (Lab) said there had been no discussion with the national parks authorities who would be concerned about any compensation they might obligatorily have to pay. This could exacerbate a growing sense of resentment that farmers as a whole would be able to claim large sums.

Lord Mook Bretton (C) said any proposal to make the payment of compensation discretionary would endanger the principle of paying compensation in return for conservation measures undertaken by owners and occupiers of agricultural land.

Lord Winstanley (L) said the inevitable consequence of leaving the Bill as now drafted was that the Nature Conservancy Council, Countryside Commission and national parks authorities would be tempted not to make objections at all to certain proposals because if they did they could virtually bankrupt themselves.

Lord Stanley of Alderley said Lord Onslow's proposal struck at the principle that when a farmer was forced to conserve against his financial ability there should be a measure of conservation.

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Law Report October 16 1981 Court of Appeal

Legislature urged to act on injury cases

Re C, a Minor by his next friend v. Wiseman and Another

Before Lord Denning, Master of the Rolls, Lord Justice Shaw and Lord Justice Griffiths

[Judgment delivered October 15]

The law as to damages for personal injuries is in urgent need of reform. The Court of Appeal so stated in considering the appropriate sum to award a child suffering from a catastrophic injury before he was two for his loss of future earnings.

The Court of Appeal, in reserved judgments, allowed in part an appeal by the second defendant, Brent and Harrow Area Health Authority, against the judgment of Mr Justice Michael Davies on November 23, 1979, in *Re C*, a Minor by his next friend v. Wiseman and Another.

Patrick Croke, a minor now aged nine years, suing by Mr James Croke, his father and next friend, and Mrs Bridget Teresa Croke, his mother, v. *Brent and Harrow Area Health Authority*, *Middlesex, for £243,942 being £220,000 damages and £11,042 interest, and in favour of Mrs Bridget Croke for £26,856, being £25,000 damages and £1,856 interest. Both judgments were against the health authority.*

The court reduced the total award and made no order as to costs. The court of appeal, in reserved judgments, allowed in part an appeal by the second defendant, Brent and Harrow Area Health Authority, against the judgment of Mr Justice Michael Davies on November 23, 1979, in *Re C*, a Minor by his next friend v. Wiseman and Another.

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Reagan says capitalism can save Third World

From Nicholas Hirst, Washington, Oct 15

President Reagan today strongly affirmed his belief that free enterprise, private capital and open world markets could ensure global economic growth and solve the problems of the developing countries.

Outlining his Administration's position for the 22-nation Cancun summit in Mexico of industrialized and developing countries next week, he defended the United States record on aid and emphasized the success of present institutions such as the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade.

The President made no reference to any specific increases in foreign aid or to supporting new institutions, such as an agency to assist the World Bank which have been sought by the leaders of the poorer countries.

The best contribution the United States could make, to world economic growth, to provide the most opportunity even the poorest of nations was for the United States to follow through with its own economic recovery programme.

"By getting our own economic house in order, we can help the world," he said. "To a remarkable degree, the world has now entered into an economic dialogue."

Leaders of the poor countries at Cancun, and some leaders of western nations, will regard the summit as a failure if it does not move some way towards agreeing on setting up "global negotiations" at the United Nations.

Senior administration officials here say there is no clear definition of "global negotiations". While the United States commitment to take part has not been ruled out, President Reagan's speech emphasized the United States wish to open up trade, investment and aid to export opportunities, and work towards a successful ministerial meeting in 1982 of the General Agreement on Tariffs and Trade.

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"By getting our own economic house in order, we can help the world," he said. "To a remarkable degree, the world has now entered into an economic dialogue."

Leaders of the poor countries at Cancun, and some leaders of western nations, will regard the summit as a failure if it does not move some way towards agreeing on setting up "global negotiations" at the United Nations.

Nobel prize for Elias Canetti

From David Brown, Stockholm, Oct 15

Elias Canetti, the Bulgarian exile writer who lives in London, was today awarded the 1m Krona (99,000) Nobel Prize for Literature "for writings marked by a broad outlook, a wealth of ideas and artistic power".

The academy said that his writings, while pursued in many different directions, were held together by a broad outlook, a wealth of ideas and artistic power.

It said his novel *Die Blendung* was his foremost fictional achievement.

Philip Howard, Our Literary Editor, writes: Canetti is a writer who has been proved right about the horrors of our violent century. His novel, his plays, and his extraordinary sociological book deal with the disintegration of a mad society.

He was born in Bulgaria, of Spanish-Jewish descent, on July 25, 1905. Spanish was his first language. The family removed to England when he was six.



Canetti: Writings marked by wealth of ideas.

After his father died young, his mother moved to Vienna and Canetti became a writer in his third language, German.

He was influenced to his bleak view of the world by the violence that he saw and suffered in Vienna between the wars. He lived there until 1938, when he escaped to England.

After a visit to Berlin in 1928 he planned a series of eight novels intended to be a "comedy of humanism of madness". He described what he had in mind: "It seemed no longer possible to me to get to grips with the world by means of conventional realistic fiction. The world had fallen too much apart, as it were, in all directions."

Only one of the eight novels was written, *Die Blendung* (The Deception or Blinding, 1935). It is about an intellectual, a Sinologist, whose world is his books. The book was translated by C. V. Wedgwood, and published in Britain under the title *Auto da Fe*. Canetti felt he had said it all in *Die Blendung*. But after a gap he wrote a series of black farcical plays.

In 1960, after more than three decades of study, Canetti published his analysis of the mass psychology of our violent times, *Masse und Macht* translated as *Crowds and Power*.

EEC to study details of wine compromise

From Ian Murray, Brussels, Oct 15

European Commission officials are waiting to study the details of the political compromise which has been reached between Italy and France before deciding whether or not to withdraw legal proceedings against France.

The compromise, reached in Italy yesterday, means that France during the next two months will allow in all the Italian wine held up at French customs posts.

Representatives of the two countries are due to discuss the agreement with Commission officials tomorrow before a decision is taken on whether to prosecute France for contravention of the Treaty of Rome by refusing to allow the free circulation of goods. Italy will decide independently on whether or not to proceed with its own case against France.

The Italian Government and the Commission are both congratulating themselves on what seems to be a happy peace settlement for the seemingly implacable wine war between the two countries.

Italy believes that sticking firmly to Community principles while remaining open to dialogue was the way.

The weather, however, probably played the decisive role. Wine production, according to Commission estimates, will be well down for the 1980 harvest.

In addition, it seems likely that the French wine will be of a low alcoholic content and will require *coupage* with the stronger Italian wines to bring it up to strength.

Britain has been granted a further, if reluctant, delay by the Commission to respond to the "reasoned opinion" demanding that the new health restrictions on the import of poultry and fresh eggs be lifted. Originally the restrictions would have had to be lifted by the end of this week to avoid the Commission taking Britain before the European Court. This deadline has now been extended until October 30.

Malaysia sceptical on Melbourne

By Simon Scott Plummer

Political progress among Commonwealth nations had not been matched by economic and social cooperation, Tan Sri Muhammad Ghazali Shafie, the Malaysian Foreign Minister, said in London yesterday.

Referring to the forthcoming conference on the world economy in Cancun, Mexico, he told a press conference: "We have built our own Cancun, or North-South, within the Commonwealth."

Tan Sri Ghazali led the Malaysian delegation to the recent meeting of Commonwealth heads of government in Melbourne in place of Dr Mahathir bin Muhammad, Prime Minister, who turned down an invitation to attend.

"The emphasis at Melbourne was on making the Commonwealth conference a success rather than the Commonwealth itself," Tan Sri Ghazali said.

Tan Sri Ghazali denied a report in *The Times* that Dr Mahathir had addressed Mr John Nott, the British Defence Secretary, in Malay through an interpreter during a recent meeting in Kuala Lumpur. Mr Nott's office in London said yesterday they understood the interview was in English and that there was no record of an interpreter being present.

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ENVOY ATTACKED

Beirut—Mr Mohsen Mousavi, the Iranian charge d'affaires here, received slight wounds when his car was shot at. He blamed followers of President Hussein of Iraq.

Moonies' leader on tax charge

The Reverend Sun Myung Moon, founder of the Unification Church and leader of religious cultists known as Moonies, was indicted today on 12 charges of tax fraud amounting to \$112,000 (£62,000).

Takeru Kaniyama, the senior aide, was charged as co-conspirator in aiding the filing of false returns, submitting false documents to the Government, obstructing justice, and four counts of perjury.

They face up to five years in jail and fines of \$10,000 if convicted. They will enter a plea on October 22.

Mr Moon, aged 61, is accused of failing to report interest on cash in bank deposits totalling \$1.5 million between 1973 and 1975. He is also charged with failing to report \$70,000 of stock he and his wife, Hak Ja Han, received in a company called Tong Enterprises.

A lawyer representing Mr Kaniyama said: "We intend to enter a plea of not guilty. In as much as we have not seen the indictment, we can offer no further comment."

Mr Moon is one of the most controversial religious leaders in the United States. His church has denied charges that it brainwashes its members and forcibly keeps them from their families. He has been a permanent resident of the United States since 1971. Church members said today he was travelling out of the country.

A Unification Church spokesman said Mr Moon had been out of the country for several months and doubted whether he had appeared before the federal grand jury. He described the indictment as "a big shock. This is absolutely unheard of."

Setback in Senate for Awacs deal

From Nicholas Hirst, Washington, Oct 15

President Reagan narrowly suffered his third congressional defeat today on his proposed sale of five Awacs surveillance aircraft to Saudi Arabia.

By a majority of one in a nine-vote vote, with one Republican, senator Rudy Boschwitz, a staunch advocate of Israel and long-standing opponent of the deal, joining the eight democrats, the Senate foreign relations committee recommended that the Senate reject the deal.

But the fight to gain enough votes to win approval at the end of the month will go on. Rejection by the committee was expected and the Administration still believes it can win the final vote.

A minor victory was gained today in the Senate armed services committee, which approved the sale by 10 votes to five. Its influence on this question, however, is not significant and the vote bears no relation to the overall balance of opinion among senators.

Yesterday, the House of Representatives followed the recommendation of its foreign affairs committee by rejecting the \$500m (£4,700m) arms package to Saudi Arabia which includes the five Awacs aircraft.

Defeat in the Democratic-controlled house was regarded as inevitable and the Administration has concentrated its efforts on the Senate where the Republicans are in a majority. Both houses have to defeat the sale to stop it going through.

But Senator Charles Percy, chairman of the Senate foreign relations committee, yesterday opened up the possibility that the President could use his executive powers to make the sale even if the Senate disapproved. The resulting political row, however, probably rules out such a move.

Until today, when the President took a break to speak in Philadelphia about the forthcoming North-South dialogue, he has been lobbying intensively to try to persuade senators to his views.



Mrs Suzanne Mubarak, the wife of the new Egyptian President. She is aged 39 and half-Welsh.

Mubarak to be Premier

Cairo, Oct 15. — President Hosni Mubarak decided today that he would also act as Prime Minister of Egypt. In a decree published by the official Middle East News Agency, Mr Mubarak kept the same cabinet as President Sadat.

Earlier today, Mr Mubarak pledged to follow the path laid down by his assassinated predecessor, but indicated that he would take a tougher line against religious extremists.

The Egyptian Government is as follows:

President and Prime Minister: Hosni Mubarak.
First deputy Prime Minister: Ibrahim Badr Pasha.
Second deputy Prime Minister: Dr Foad Mubammad.
Deputy Prime Minister: Minister of Foreign Affairs: Kamel Hassan Ali.
Deputy Prime Minister: Minister of the Interior: Muhammad Mubammad.
Deputy Prime Minister: Minister of Production: Ahmed El-Sayed.
Deputy Prime Minister: Minister of Finance: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Economic and Financial Affairs: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Education: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Health: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Social Affairs: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Labour: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Housing and Urban Planning: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Transport and Communications: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Tourism and Civil Aviation: Kamel Hassan Ali.
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Deputy Prime Minister: Minister of Culture: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Youth and Sports: Kamel Hassan Ali.
Deputy Prime Minister: Minister of Social Work: Kamel Hassan Ali.
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US-French meeting of minds on defence

From Our Own Correspondent Paris, Oct 15

If Mr Caspar Weinberger, the American Secretary of Defence, really meant what he said at his press conference in Paris this afternoon, Socialist France paradoxically has become one of the most reliable members of the Atlantic Alliance in a Western Europe gripped by the demons of neutralism.

Mr Weinberger had six hours of talks with his French opposite numbers for Defence and Foreign Affairs last night and this morning. These were officially described in the official statement afterwards as a "preparation for the coming meeting between Presidents Mitterrand and Reagan".

Mr Weinberger declared that he was most satisfied with his talks. He had been most warmly received by members of the French Government. They had noted their broad agreement on the issues discussed. "I am convinced these talks will enhance the security of our common alliance," he said.

He refused to be drawn into any invidious distinctions between the present Government's solidarity with the United States and its predecessor's. The American Administration's misgivings about the presence of Communist ministers in the government seem to have been laid low. At least the subject was not raised by Mr Weinberger.

He drew great satisfaction from the complete meeting of minds between the two governments on the "dangerous idea of unilateral disarmament" sweeping through some countries of Western Europe, which was reminiscent of the 1930s. "We should not repeat the inactivity which has led to a lot of countries between the wars. But it has not pervaded any government yet," Mr Weinberger added. They had discussed the importance of strengthening the theatre weapons, he added, "and I concluded that the French Government shared our feelings on the subject." France was not a member of Nato but had its own theatre weapons.

The Draft French 1982 defence budget was evidence of French awareness of the need for a strong and sustained defence effort. French ministers had told him, Mr Weinberger added, that by resuming arms deliveries to Libya the French Government "was carrying out commitments assumed by the previous administration," but it had no plans beyond them. "I find it difficult to see how these commitments could be broken. The question is whether they should ever have been made."

Mr Weinberger's manning: A senior American State Department official, comparing pacifism in Europe now to the mood before the Second World War, gave a warning today that western "weakness, vacillation and appeasement" would heighten the chances of a confrontation between the United States and the Soviet Union, (AP reports from Washington).

Mr Lawrence Eagleburger, the Assistant Secretary of State, said the only rational course for the West was to act now "to make clear to the Soviet Union that their expansionist policies cannot succeed. The age of empire has passed."

France salvages remnants of master strategy

From Charles Hargrove, Paris, Oct 15

The French Cabinet has adopted a two-year interim plan in a belated and rather forlorn attempt to put order into a variety of measures taken in the past five months. These measures have often borne the mark of haste and improvisation, when they have not contradicted one another outright.

Behind all the impressive words about laying down Government strategy for the next two years, M Michel Rocard, the Minister for the plan, had the thankless task of marrying the following elements happily: refutation and stringency; deficit spending and the defence of the franc; the encouragement to employers to invest and the increase in their social overheads.

That M Rocard fell short of success is not surprising. How effective the plan will be is another question, for the 1982 budget alone involves long-term economic choices by definition opposite to central planning.

The fact that M Rocard, in almost the same breath as he outlined his plan yesterday, denied rumour of his impending resignation, certainly does not add to its credibility. The minister, a socialist who believes in the virtues of pragmatism and market forces, did not attempt to conceal the difficulties of his brief. "That one did not quite know where one stood, or whether there was a logic behind the Government's action. One of the objects of

the plan is to respond to Frenchmen's need to see things clearly."

The priority was unemployment. It would be halted by the end of 1982, and the trend reversed in 1983, thanks to a growth rate of 3 per cent. How would he do this? Through work-sharing which would make it possible to create an additional half a million jobs a year; through income sharing, by maintaining average purchasing power but raising lower incomes by 2 per cent; through worker consultation in management to promote a "social compromise", a euphemism for consensus; and finally through economic instruments like deficit financing and an active industrial policy liberated from day to day market considerations through nationalization.

High on the list of the interim plan's priorities is the emphasis on "solidarity", already conspicuous in the tax measures of the 1982 budget. One of the ideas entertained by the Government is the creation of a "solidarity contribution" to finance the creation of new jobs, work sharing projects, and early retirement.

It would be payable by both the independently employed and civil servants, who so far pay no unemployment contributions. The exemption of the latter under pressure of Socialist MPs from the "solidarity tax" for unemployment in the 1982 budget, has been distinctly unpopular.

Greek poll for Euro-MPs favours smaller parties

From Mario Modiano, Athens, Oct 15

The smaller Greek political parties stand a better chance in the election of Greek members of the European Parliament than in the national election which is being held concurrently on Sunday.

One reason for this is the electoral system. While in the national elections a party that fails to poll 17 per cent or more of the vote is at a disadvantage in the allotment of straight proportional representation. The national system encourages polarization and many voters who resent being forced towards a black-or-white choice of big parties, promise to vote for the smaller groups in the European election.

The excitement over the national elections, which culminates tonight and tomorrow night with gigantic, final campaign rallies in the heart of Athens, has largely overshadowed the first direct election of 24 Greek members of the European Parliament by the six million voters.

Since Greece joined the European Community in January it has been represented in Strasbourg by a cross-section from the national parliament. The national election is being contested chiefly by the two big parties, the ruling centre-right New Democracy and the anti-EEC Panhellenic Socialist Movement (Pasek). Of the 20 or so parties and groups taking part, 10 are also contesting the European parliament by-election with a total of 208 candidates.

Among the smaller parties, an important favourite in the European election is the Party of Democratic Socialism of Mr John Papanastasiou who was the architect of Greece's largely successful association with the EEC in 1962.

President Mitterrand did not wish to undermine confidence in France or in the basic foreign policy with a diplomatic upheaval after the elections. But he always had it up his sleeve and pressure had been growing from lower clerical and other echelons of the staff for a breach in this traditional bastion of convention and conservatism.

Thus, M Francis Guttman, who failed to pass the entrance examination leading to the higher administration, has been appointed to the key post of Secretary General of the Foreign Ministry after a distinguished career with the Pechiney industrial group and the American Red Cross.

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Herr Helmut Schmidt, the West German Chancellor, is visited by his wife Loli in hospital yesterday, two days after he received a pacemaker during heart surgery.

Press curbs 'harmed Poland'

From Alan McGregor, Geneva, Oct 15

The importance of investigative journalism and the freedom to publish was emphasized today by M Sean MacBride at the new world information order seminar of the World Federation of United Nations Associations.

He specifically referred to the Sunday Times' disclosure this week that the Reagan Administration is moving towards relaxing restrictions on exports of nuclear materials.

Had there been a free press in Poland and journalists free to investigate, the economic situation would have become clear long before now and action could have been taken by the Polish people, he said. The Vietnam war and the fall of the Shah were other examples of how governments could not ignore mass opinion. He believed it probably

more important that freedom of expression be permitted in the Communist countries than anywhere else, because of the overbearing bureaucracies. Investigative journalism and press freedom could counter bureaucratic inefficiency.

He appealed to Soviet block representatives in the 50-nation assembly to press for a reviewing of attitudes to a free press and investigative journalism before it was too late.

Mr Elie Abel, professor of communications at Stanford University, California, said on Tuesday that no developing country could strengthen its participation in a new world communication order by attempts to block or inhibit the operations of others. Professor Abel, a member of the MacBride Commission on the world information order, said any design would be futile if aimed at controlling and filtering the flow of

ideas, information and images. The debate on a new order had shown that yearning for free expression was by no means exclusive to Western liberals; freedom of expression and communication was increasingly regarded as a fundamental human right. Regimes could not seal off peoples for ever by controlling the flow of new ideas, across oceans and continents.

In a submission by the United Nations Association of Poland, Dr Andrzej Marasiewicz contended that any real action for a change in the world system of information must start with countries' internal systems.

Referring to the "informational pluralism being created in Poland", he said information systems should be decentralized and the social communication monopolies broken.

Journalists attack censorship

From Our Correspondent Islamabad, Oct 15

Fakiani, journalists and newspaper workers meeting in several cities today demanded the withdrawal of press censorship which has been maintained under martial law for two years.

Employment Confederation and the Pakistan Federal Union of Journalists also asked their affiliate unions to gather signatures across the country for an appeal to the government and the country's longest censorship. An anti-censorship meeting here drew the government's attention to the dangers of suppressing public opinion and taking decisions on issues of far-reaching importance without public consensus. Such decisions would eventually fail to resolve the problems facing the country.

At a rival press workers' union meeting in Lahore yesterday, Mr Zafar ul-Haq, the Minister for Information, said that press censorship would remain in force in order to curb those newspapers which, he alleged, had been acting against the national and Islamic ideologies of Pakistan.

Dismissal for blacks who refused to join union

From Ray Kennedy, Johannesburg, Oct 15

Twenty-six black workers at a Johannesburg factory were dismissed today because they refused to join a trade union. It is believed to be the first time since the black trade union movement was recognized by the Government in 1979 that blacks have lost jobs for not supporting a union.

In the past they frequently faced dismissal if they took part in trade union activities. Those dismissed today refused to join the African Tobacco Workers' Union, which has an agreement that black workers must join it or lose their jobs. It is affiliated to the non-racial but white-dominated Trade Union Council of South Africa, whereas most of the more militant black unions belong to the Federation of South African Trade Unions.

A spokesman for United Tobacco Company, where the workers were employed, said they dismissed themselves for not joining the union. They had refused because they did not know who the shop stewards were, how the union operated and because dues were too high. The Government recently endorsed the closed shop in a move regarded by some black

trade unionists as an attempt to strengthen the position of registered black unions in the face of competition from more militant, unregistered organizations.

They say the registered unions are using the closed shop to force workers to join. They contend that the established unions are extending their closed shop agreements to black workers instead of trying to recruit them through improved benefits.

In the coastal city of Port Elizabeth, 18 black union members have been arrested after a strike at a bottling plant and are to appear in court charged with incitement.

This brings to 23 the number of black unionists held by the police in South Africa's most strike-prone city. Five officials of the Motor Assembly and Components Workers Union have been held in connection with the Terrorism Act for several months.

In the past two weeks more than 20 strikes by black workers have been reported and up to 2,000 of the 7,000 workers involved have been dismissed.

Solidarity negotiates with Government

From Dossa Trevisan, Warsaw, Oct 15

Negotiations between the Polish Government and the Solidarity free trade union opened today to seek ways to ease the disastrous supply situation which is causing increasing social tensions in many parts of Poland.

The deadlock reached by the authorities and the union in August has been broken and in response to the union's initiative, the Government agreed talks confined to market supplies planned price increases and compensations.

Mr Marian Krzak, the Minister of Finance, and Mr Zdzislaw Krasinski, the Minister of Prices, met today a delegation of six, including three experts, the Solidarity praesidium and headed by Mr Gregorz Palka who will in future negotiate on economic issues.

The Government recently proposed to set up a joint commission including all the union and several other organizations and groups in an effort to overcome the prolonged crisis and conclude some kind of social contract.

This was turned down by Solidarity which, as Mr Palka reiterated before today's talks, insisted on the establishment of an economic national council confined to the union and its related, independent branches and excluding the old, formerly government-controlled union.

The Government spokesman on the eve of the talks, had expressed disappointment over the union's refusal to "sit down at one table with other social partners" at a time when the Government was asking for assistance to ease the plight of society.

But he added that the Government would consider Solidarity's proposal for an economic council. This means that a period of negotiations seems to be beginning on economic issues and beyond those on which the two sides began to negotiate today.

The reason for Solidarity's refusal to join the proposed mixed commission is that in the light of experience it considers such a body as unproductive. Bilateral talks between the Government and Solidarity, which has the support of 10 million members, are regarded as giving a better chance of reaching clear decisions and implementing them.

The opening of negotiations is accompanied by a wave of protest strikes in several regions over supplies of basic commodities, especially food. In Tomaszow, in central Poland, some 30,000 workers staged a 24-hour strike yesterday, and in Zyrardow, the strike of textile workers continued today. Protests also began in the chemical industry against delays in applying agreements that were reached earlier.

With the party's central committee due to meet tomorrow, a battle is being waged inside the party.

The leadership has come under severe criticism both from the conservatives, who are accusing it of without and of leniency towards "anti-socialist forces", and from the reformers who accuse it of not implementing fully and speedily the agreements reached with the union.

Meetings of the two large party organizations, in Warsaw which is predominantly conservative, and in Gdansk, regarded as reformist, closed the width of the gap.

In Warsaw, where the meeting of the party committee ended yesterday, the Politburo came under severe pressure against its alleged involvement in the ideological struggle against elements challenging and threatening the state and the party.

Zimbabwe meetings ban

Salisbury, Oct 15—The Zimbabwe Government today said political meetings and processions would be restricted until further notice in order to reduce tension.

Mr Richard Hove, the Home Affairs Minister, told a news conference that he was reapplying provisions of the Law and Order Maintenance Act relaxed by the Government in July last year. He said political parties wishing to hold meetings or processions would now have to apply for police permission seven days in advance — a restriction first introduced by the former white Rhodesian governments to control rising black nationalist activity.

For the past 15 months political parties were required to file police two days in advance when they intended holding meetings or marches.

Full details of date, place and speakers would now be necessary "so I can use my discretion whether any particular meeting should not be held", Mr Hove said. Government ministers performing official business would not be affected, he added. —Reuter.

Blind spots in the road

From Our Correspondent, Johannesburg, Oct 15

More than 50,000 drivers in South Africa cannot see clearly because of the blots on their windshields and wipers. 250,000 have eyesight that is not much better, a report says.

South Africa has one of the highest road accident rates in the world and the Council for Scientific and Industrial Research has been investigating the reasons.

Dr Deryck Humphries, the optometrist in charge of the programme, said the survey turned up a lorry driver who could see nothing clearly more than a foot from his face. A bus driver had cataracts and would be blinded by headlights; a school-bus driver had less than 50 per cent vision.

Dr Humphries said the results of the research had been handed to the Government, but nothing had been done.

CORRECTIONS

In reports from our Lisbon correspondent on Tuesday and Wednesday it was wrongly stated that Dr Mario Soares was Prime Minister at the time of the handover in vision of the Portuguese colony of East Timor in 1975 and that Gen. Vasco Gonçalves was President.

Gen. Vasco Gonçalves was Prime Minister in the fifth provisional Government following the April 25 military coup. Dr Soares was Minister without Portfolio and the President was Gen. Francisco Costa Gomes.

In a report on Wednesday, Libya's oil exports were said to have fallen from \$22m last year to \$7m this year. The figures should have been \$22,000m last year and \$7,000m this year.

Production, which fell from 2.1 million barrels a day to 1.75 million a day early last year, is estimated to have totalled 700,000 a day in September.

The work this year is record-deep Soviet Union Africa. The Department has reduced Soviet grain.

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Teenage delinquents are people too

Who can a teenager turn to if his parents seem to turn away? What does he do? There is no one to turn to, no money, nothing to do but drift in the streets. It is easy to turn to crime when you are young, confused, broke and hustled.

Our Family Carers give teenagers somewhere to go and something to do, and offer guidance and counselling to help them through to adulthood. Help us to help them.

Send a donation to:

Children's Trust, Church of England Children's Society, Old Town Hall, Remington Road, London SE11 4QP.

Account No. 544-0015

Tomorrow, in the Saturday Review, T. E. B. Clarke considers in a short story — "For the Sake of a Thumb-nail" — how the battle of Yorktown might have turned out differently.

The British Redcoats on foot surrender at Yorktown: detail from the painting by John Trumbull.

During the next four days Americans will be celebrating the bicentenary of the battle of Yorktown when — as every American schoolchild knows — a joint American-French army under General George Washington inflicted a humiliating defeat on the British forces led by Lord Cornwallis.

Washington's victory effectively guaranteed the success of the American revolution and ensured the loss of Britain's American colonies.

Americans tend to celebrate anniversaries of great events with the same sort of single-minded determination they devote to making money or playing baseball. This year, with President Reagan trying to regenerate a sense of pride and purpose among Americans, the symbolism of Yorktown is of special importance.

The main celebrations are taking place at Yorktown, a picturesque little place which has changed little (the population is still only 800) since its days as a port for dispatching Virginia tobacco to England.

More than 400 separate events are being held in and around Yorktown, including the inevitable re-enactment of the battle by a cast of thousands of volunteers, mock sea battles on York river, a Spirit of America pageant, demonstrations of siege warfare tactics, wreath layings and fireworks displays.

Some of the more unusual attractions include a concert by the United States Coast Guard jazz band and a symposium entitled An evening with Eric Sevareid, organized by the National Aeronautics and Space Administration.

One of the main events has been a re-enactment of the 700-mile march from Newport, Rhode Island, to Yorktown by French troops under the command of the Comte de Rochambeau.

For the past six days about 800 Americans, many of them of French descent, have been covering the same route followed by de Rochambeau two centuries ago.

However, unlike the Frenchmen who covered the

W WOOLWICH
EQUITABLE BUILDING SOCIETY

Increased interest rates

The following rates of interest will apply from 1st November 1981 until further notice.

	Rates paid per annum	Gross equivalent with income tax at 30%
Share Accounts	9.75%	13.93%
Higher Interest Shares	10.75%	15.36%
Savings Plan Accounts	11.00%	15.71%
Monthly Income Shares	9.75%	13.93%
Deposit Accounts (Ordinary Personal)	9.50%	13.57%

The rate of interest on all Term Shares and Investment Certificates — Certificates will be increased by 1.25%

Mortgages: The specified rate of interest charged on new repayment mortgages will be increased to 15% forthwith. The specified rate of interest charged on existing repayment mortgages will be increased to 15% on 1st November 1981 or 1st December 1981 or 1st February 1982 in accordance with the terms of the mortgage contracts.

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Turkish terrorist trial halted as judges walk out

Ankara, Oct. 15. — The trial of Mr. Alpaslan Turkes, the extreme right-wing politician, and his supporters was disrupted today when two of the judges on the military tribunal resigned after a series of courtroom clashes between the military prosecutor and the defence.

The chief judge, Major Yural Ozenerler, removed his black gown and stepped from the platform and was followed immediately by one of the deputy judges.

The prosecutor has demanded the death sentence for Mr. Turkes and 210 activists of his Nationalist Movement Party on charges of trying to overthrow the state and set up a right-wing dictatorship.

Major Ozenerler told the court: "After recent developments doubts may be cast on the soundness and impartiality of my judgment. I have therefore decided to resign."

Since the trial opened on August 19 the defence lawyers have repeatedly interrupted proceedings, challenging the prosecutors, demanding the withdrawal of the judges and complaining of the treatment of their clients.

The prosecutor read a 945-page indictment detailing alleged efforts by Mr. Turkes, twice Deputy Prime Minister in the 1970s, to take over the country by infiltrating government departments and organizing violent armed youth groups.

Yesterday in a statement to the court Mr. Turkes rejected the charges, saying evidence against him was "incomplete and unreliable".

After a fiery speech in which Mr. Turkes said he had had the power to overthrow the state if he had wanted to, the court decided the 64-year-old former colonel should be acquitted of the charges of treason and contempt which were brought against him.

In today's session a defence lawyer for Mr. Turkes accused the junior prosecutors of

being lackeys, and he in turn was arrested for insulting the court.

Immediately after this Major Ozenerler resigned and his junior colleague went with him. This left the third member of the tribunal, a non-judicial officer, alone on the bench, and the court was adjourned to await the appointment of replacement judges.

In a move towards democratic rule the country's military rulers named a 160-member consultative assembly.

The assembly, which has an overwhelming conservative bias, will start work on October 23. It will draw up a constitution and new laws governing political parties and elections for the approval of the five-man ruling junta.

The generals have promised to hold elections as soon as this process is completed and a referendum held on the new constitution. Diplomatic observers expect a return to democracy in late 1983.

The constituent assembly includes 120 representatives chosen from lists submitted by provincial governors and 40 members directly selected by the ruling National Security Council.

The generals have excluded from the assembly politicians elected to the last parliament and banned them from taking part in the first general election.

The politicians have been blamed by the junta for allowing the extremist violence that prompted the military coup in September 1980.

Diplomatic observers said the assembly list comprised mainly little-known figures with a bureaucratic or state background. It made little concession to the liberal sector of the electorate represented in earlier governments by Mr. Bulent Ecevit, the former Prime Minister, they said.

Showdown on Canada constitution delayed

From John Best
Ottawa, Oct. 15

Mr. Pierre Trudeau, the Prime Minister, has agreed to again postpone his showdown meeting with Canada's ten provincial premiers on the constitution. However, he is keeping up the pressure for action before the end of October.

In a message yesterday to Mr. William Bennett, the Premier of British Columbia, Mr. Trudeau reluctantly agreed to drop his proposal for a meeting here next Tuesday. It was the fourth time that he had acquiesced in a refusal by provincial premiers to meet at a time designated by him.

He told Mr. Bennett that the premiers should now accept a meeting on October 26, 27 or 28, "which would enable us to complete our work before the end of October."

He is anxious to speed parliamentary approval of his plans to bring home Canada's constitution, the British North America Act of 1867, from Westminster, complete with an amending formula and a bill of rights.

The plan is fiercely opposed by eight of the ten premiers, who dispute the federal government's right to move unilaterally.

Despite the wide differences between the two levels of government on the principle of unilateral patriation as well as specifically on both the amending formula and the bill of rights, Mr. Bennett and Mr. Trudeau have been searching for a compromise.

Mr. Bennett, the spokesman for the eight opposing premiers, met the Prime Minister for three hours on Monday when "new positions" were advanced by both sides. Yesterday, Mr. Bennett canvassed the other seven premiers and later informed Mr. Trudeau by telegram that they found "much that was positive and of interest" in the discussions.



Luciano Pavarotti, the tenor, waves to the audience from behind a huge cake presented on his forty-sixth birthday after a performance at the Chicago Lyric Opera

Oslo's economic survival strategy

From Our Correspondent, Oslo, Oct. 15

Mr. Kaare Willoch, Norway's Prime Minister, made his first policy statement to the Storting (Parliament) today outlining the way his Government would tackle the problems it has inherited.

The Conservative Party led by Mr. Willoch assumed responsibility for governing Norway alone for the first time in over 50 years, after Mrs. Gro Harlem Brundtland, the Labour leader, was defeated in a general election after eight years in power.

Mr. Willoch's first task will be to decide what to do with the 1982 budget proposal of Mrs. Brundtland's government which took away the token decrease in income taxes granted shortly before the election, and called for an increase in indirect taxes.

Despite the hopes held out by the Conservatives during the election campaign for lower taxes, Mr. Rolf Pres-

thus, the Finance Minister, is not even going to find it easy to reduce expenditure enough to avoid tax increases in 1982.

His task is made more difficult by the Government's commitment to a higher defence budget than proposed by Mrs. Brundtland, and a forecast of lower oil earnings than previously expected.

While Mr. Willoch's statement on oil policy was very general, there is little doubt that he is on a collision course with the Labour Party over the role of the national oil company, Statoil. Mr. Vidkun Hveding, the new Energy Minister, has already ordered Statoil to hold up the Brundtland government's directive to proceed with the takeover of Mobil's role as operator of the Statfjord field in 1985.

Since the Statfjord field lies partly on the British side of the boundary line, both

governments must approve a change of operators.

On foreign policy Mr. Willoch followed tradition by placing Norway between the power blocks on a line with the West. He said: "We must lay special weight on full cooperation with our allies, at the same time, the Government wishes to develop further good relations with the Soviet Union and other East European countries."

He added: "Membership of Nato is the foundation for Norwegian security and independence."

Taking into account the growing concern in Norway about nuclear weapons, Mr. Willoch adopted the Labour Party's proposal for a nuclear-free zone. He emphasized, however, that this must be part of an agreement between Nato and the Warsaw Pact on the reduction of nuclear weapons.

Roots of Sikh violence Tangle of feuds face Gandhi in Punjab

From Trevor Fishlock, Amritsar, Oct. 15

Growing tension and eruptions of violence in Punjab, India's most prosperous state, pose such a threat to communal harmony that Mrs. Indira Gandhi, the Prime Minister, has come here to defuse it.

She faces a tangle of feuds and the development of political and religious extremism. These have already led to murders by fanatics, an airliner hijacking, bomb explosions and the death in police shootings of a least a dozen people.

The troubles have four main roots: resentment felt by some in Punjab's Sikh majority that the Delhi Government does not give them a fair deal; personality rifts in the exclusively Sikh Akali Party; encouragement and exploitation by expatriate Sikhs of a splinter group's demand for a separate Sikh state; and strains within Sikhism which have led to bitter religious rivalry.

The religious feud is between hardline orthodox Sikhs and a reformist group called Nirankaris who preach a broad-based, easygoing creed which attracts Hindus and Muslims as well as Sikhs. Hardliners regard them as a threat and have vowed to destroy them.

Last year the Nirankaris' leader was murdered in Delhi. Last month a famous Punjab journalist, a strong critic of Sikh extremism, was also murdered. After this, Jarnail Singh Bhindranwale, the religious hardliner leader, surrendered to the police. In the ensuing trouble sword-wielding militants clashed with police who opened fire.

Determination to defend "pure" Sikhism has to be seen in the light of modern changes. Sikhism is a 400-year-old offshoot of Hinduism, but today differences between Sikhs and Hindus are less well defined.

A growing number of young men are opting out of the sect by shaving, cutting their hair and disregarding the turban which, although

not compulsory, is the Sikh's distinctive badge.

Orthodox Sikhs do not shave or cut their hair and they have to carry a dagger, a comb, a bracelet and wear underpants like boxer shorts. In part, today's agitation is an attempt to strengthen the differentiation of the Sikhs.

The Sikh Akali Party, which once formed part of the ruling coalition in Punjab, has been fragmented into moderate and extremist factions following defeat by Mrs. Gandhi's Congress Party in last year's elections.

Confusion has been compounded by the emergence of a small group of political extremists, Dal Khalsa, who failed to get elected to the influential religious governing body of the Sikhs.

Encouraged by a few expatriates in Britain and North America, Dal Khalsa channelled disappointment into a campaign for a separate Sikh state. It recently hijacked an airliner as a publicity stunt. It has very little support in Punjab or elsewhere.

To the dismay of many, the Akalis, who are not secessionists, have not roundly condemned the hijackers. In other words, tensions are being exploited as a springboard for Sikh grievances and demands for concessions from Delhi. Some Sikhs claim discrimination against them, that they deserve more.

A hardship case is not likely to impress Delhi. Although Sikhs form only two per cent of India's people, they are a notably successful community, prominent in business, farming, transport and the forces.

Punjab's agriculture is a success story and the state is India's bread basket. Incomes are 50 per cent above average. Agitation led to the division of Punjab in 1966 so that Sikhs became a 60 per cent majority within the redrawn border, but their dominance has declined to 52 per cent.

Warning on FAO Anniversary

Big harvests leave poor hungry

By Hugh Clayton
Agriculture Correspondent

More than 100 countries are to celebrate the first World Food Day today amid record harvests where produce more than ever is beyond the reach of the poorest among the population.

The purpose of the day is to commemorate the founding of the Food and Agriculture Organization of the United Nations in 1945. It is also meant to remind the articulate and well-fed sections of the international community that for the rest of the century population growth in the needy areas will probably outstrip the increase in their food supplies.

The organization, which has a staff of more than 6,000, is the largest specialist agency of the United Nations. Its secretary said in a message to government in the summer: "One of the main purposes of World Food Day is to increase public understanding of the extent of world hunger."

The past 20 years have been marked by an erratic but persistent reduction of the gap between world output of food and consumer demand. India, for example, appears to be moving towards "virtual self-sufficiency" in cereals. Although it still has severe distribution problems, the attainment of self-sufficiency is an exceptional achievement.

The world cereal harvest this year is expected to be a record despite setbacks in the Soviet Union and parts of Africa. The United States Department of Agriculture has reduced its estimate of Soviet grain yields to 175

million tonnes, the lowest figure for six years and far below the officially planned target of 236 million tonnes.

Total Soviet grain imports in the coming 12 months may exceed 40 million tonnes for the first time after intensive work by the Russians, during the United States embargo in the past two years, to extend their port facilities. Crops in parts of Africa have been damaged by drought, so that the grain harvest in Morocco may be only half the size of last year's.

But world output will be pushed up by high yields in leading exporting countries with low populations, like Australia and Argentina, and leading importers like Britain. Brazil is expected to produce a second high-yielding harvest, albeit slightly smaller than the record one in 1980.

The prospect for the 1980s remains bleak, however, because of reduced aid programmes by rich nations affected by recessions and because of growing competition for food by such countries as Singapore, Malaysia, South Korea and Taiwan which are described as newly industrialized.

The poorest people are concentrated in regions heavily dependent on imported fuel and with primitive agriculture. They are also likely to account for most of the expected increase of 1,500 million in world population in the next 20 years.

The secretary of FAO said in his message to governments that supplies of food were about a tenth higher than needed by the world population.

It added that the obstacles to distributing food where it was most needed were so forbidding that the only way to meet the demands of the needy was to increase food output in developing countries. In many of these countries, the increase in output has failed to match population growth. "Today the average African has less to eat than a decade ago."

One of the main aims of World Food Day would be "to increase public understanding of the extent of world hunger and of what can and should be done to end it."

The secretary appealed to governments to set up committees to coordinate events and publicity.

Many countries have responded. France has set up a committee under the chairmanship of Professor Marcel Mazoyer of the Agronomic Institute in Paris. He said in a statement that the rural peoples of developing countries should be rescued from the clutches of moneylenders and absentee owners of large estates.

"The food power wielded by a few surplus-producing countries must be used solely to beat back hunger and death," he said.

The British Government has decided not to act through a special committee, but behind the scenes as a coordinator of events by churches, private aid agencies and charities.

Its only visible contribution today will be a brief statement in which Mrs. Margaret Thatcher is to say that everyone should be concerned about hunger and malnutrition.

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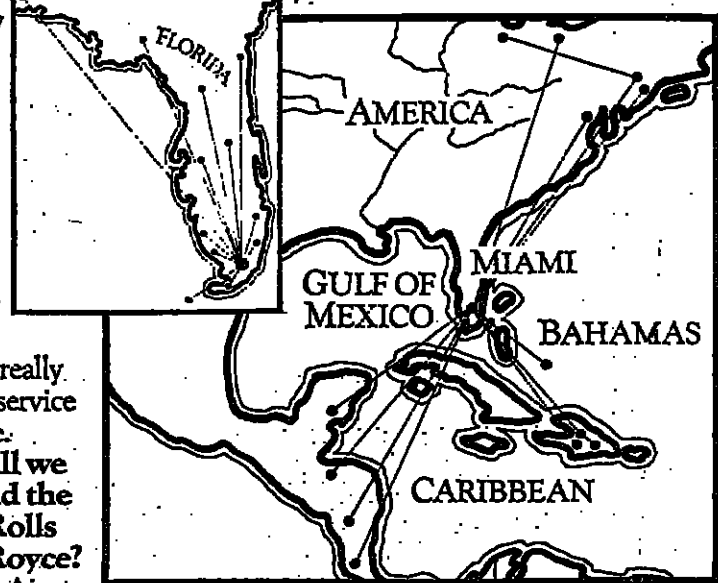
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WHAT'S THE FINO THAT'S ON EVERYBODY'S LIPS?

FINO SAN PATRICIO DRY SHERRY

BODEGA BOTTLED PRODUCT OF SPAIN SERVE CHILLED

Garvey JEREZ

SIP IT AND SEE!

QUEEN TRIES TO HEAL NZ RIFT

From W. P. Reeves
Wellington, Oct. 15

The Queen had healing words for New Zealand society still bruised by the divisive Springbok Rugby tour when she spoke at a state luncheon in Parliament House today. In any free society, she said, issues would arise which divided its members and strained their patience. That was happening worldwide.

Highly charged controversies had to be handled within a democratic framework. "New techniques may be evolved but they still rely, as a free society always does, on continued tolerance and respect for others' rights."

"Distance does not shield New Zealand from these strains, but it has great strengths on which to draw in managing them."

Of the Commonwealth, the Queen said its evolution, in the main peaceful, had been a unique achievement and had created a great opportunity.

Mr. Robert Muldoon, the Prime Minister, remarked on the different times New Zealanders were now experiencing from those when the Queen and the Duke of Edinburgh last visited them four and a half years ago.

"These are difficult times in the economic sense, times of debate and uncertainty and times of division," he said.

Photograph, page 16

Television

Remorse no more

On Independence Day, 1977, Louis Robinson, a coloured American sailor, hijacked a New York bus, made the driver crash the gates of Kennedy Airport, shot two passengers dead, wounded two more, clubbed another and brought the airport to a standstill for about eleven hours. Last night, in BBC's promising documentary series *Forty Minutes*, he talked about it and the story — too incredible for Kojak — was told between him, police tapes of the negotiations and the brave student, then 20, who had to act as his intermediary.

Even though he was talking from a state penitentiary and will not be catching a bus for 15 years, Louis was scary. He scared me early when he said he was "through the remorse period" and at the end he made it plain that the saddest victim of all was him. Rehabilitation of a sort.

In between we heard how this man with a history of drug abuse, whose request for psychiatry had been refused by the Navy, was scared of going back to face an investigation into the theft of a \$50 postal order. He was also scared of not going back and sitting on the bus, felt people were staring at him, particularly one man whom he suspected of being an FBI agent.

He resolved this fear by shooting the man in the neck only to discover that he was just a librarian. It was paranoia, said the articulate Robinson. He had felt bad about the librarian but not badly enough to prevent him going the whole hog. He took over the bus with its 21 passengers, clubbed a service-woman who tried to jump him and turned to shoot dead the bus driver as he too tried to have a go. After sending someone off with his demand for \$6m and an aeroplane, he subsequently grabbed an old lady and shot her dead; later he shot a Chinaman whom he imagined had something in his mind to his disadvantage.

On the airport, said Robinson, "my television mind started thinking". Obviously he had seen something like this before. I wonder where, for most of the time he forced the student, Bruce de Boer, to act as intermediary with police negotiators. He surrendered when police rammed the bus and immobilized it.

The producer, Patrick Turley, made a good, tight job of this chilling tale. If there is a moral to suppose it must be: "When in New York, stick to cabs."

Dennis Hackett

Cinema

A bold and enthralling experiment in time

The French Lieutenant's Woman (AA)

Odeon, Haymarket

Honky Tonk Freeway (AA)

ABC Shaftesbury Av.

Goodbye Pork Pie (AA)

Classic, Haymarket

Tattoo (X)

Ritz

Take It Or Leave It (A)

Gate 3, Camden Town

It is hardly surprising that so many directors — among them Mike Nichols, Franklin Schaffer and Fred Zinnemann — gave up the attempt to film *The French Lieutenant's Woman* before Karel Reisz finally braved it, with the creative support of Leon Clow, who was also producer of Reisz's last British film, *Morgan*. It is the most hazardous of all undertakings to film a contemporary literary best-seller of this sort. Nobody cares about junk books, and the classics are fair game; but a text like this tends to be sacrosanct to its admirers, and to unite them in the defence of its every letter.

The novel, published just over a decade ago, is a highly self-conscious literary experiment. Fowles tells the story of a woman whose intelligence, desire to achieve and independence are constantly interrupted, however, by digressions in which the writer comments on events with the hindsight of twentieth-century psychology, social history and literary criticism. In the process Fowles not only reinterprets a Victorian anecdote and character, but analyzes the writer's own creative problems.

Reisz and his writer, Harold Pinter, recognizing the Fowles's

method directly, have looked for an alternative, wholly filmic device to serve the same purpose. As Fowles opens up the backstage works of literary creation, they let us in on the business of making a film. We watch the story of *The French Lieutenant's Woman*, and at the same time the making of a film called *The French Lieutenant's Woman*.

From time to time the Victorian story is set aside; we see the film unit at work, and discover that between interpreting the tormenting passions of the Victorian couple, Sarah and Charles, the leading man and leading lady are having an adulterous on-location fling. We are invited to make our own comparisons between nineteenth and twentieth-century emotional self-management and social demeanour. The danger in this kind of device (not altogether avoided in the novel) is the difficulty of achieving detachment without impairing belief. The outstanding accomplishment of Karel Reisz's film is that — after the first shock effect — the shifts from the nineteenth century to the twentieth and back are never disconcerting, and never lessen our belief and concern with the characters and history of Sarah Woodruff. An immense asset here is the casting of Meryl Streep, who proves more intelligent, resourceful and fascinating even than might have been guessed from her performance in *Kramer vs. Kramer*, *Manhattan* and *The Deer Hunter*. Her Sarah is a performance of subtleties that continue to reveal themselves with repeated viewing.

Our first sight of her is also Charles's. She stands on the end of the Cobb at Lyme, a cloaked, mysterious, dramatic figure, apparently oblivious of the dangerous high seas that whip around her. Charles, like any Victorian hero, rushes to save her, whereupon she turns upon him a gaze of challenge, tragedy, enigma. From that moment their destinies are inseparable; and they are (in Victorian terms) lost.

Sarah, tormented and spurred by the social, economic, sexist and moral attitudes that keep her in her ordained place in life, sets herself (albeit galleyside and instinctively) plotting her moves only from moment to moment) to ensure his emotions. Charles, despite all his resistance, despite the rationalism of a scientist and Darwinian and the duties of a gentleman and plighted fiancé, must succumb. In the process these two nineteenth-century people take a large step towards the twentieth century.

The film sets out to accomplish in visual and cinematic terms what Fowles achieved by literary means. Observation provides the equivalent of dissertation. Streep's Sarah is a complex of awareness and instinct, calculation and neurosis. Jeremy Irons is an actor's actor, which turns to advantage as much for the modern man — an actor in love with the image of himself in love — as for Charles, living up to the postures of a Victorian gentleman.

The performances provide their own commentaries. Hilton McRae's playing as Charles's manservant Sam — the cheerful servility rapidly disintegrating to surly insolence and blackmail when his master betrays the rules of the social hierarchy to which they both belong — is a whole essay in the Victorian servant and employer. Another aspect of the matter is presented, with even greater economy, by the non-speaking performance of Liz Smith as the monstrous Mrs. Pountney (Patience Collier), a woman who wields God-like a scourge or truncheon.

The period recreation is enormously detailed, without being over-emphatic or pedantic. The Dorset locations described in the novel provide one element of spectacle. Briefly glimpsed from the office of Charles's prospective father-in-law is an amazing Dickensian vision of industrial Victorian London.

Assheton Gorton's production design and Freddie Francis's photography record a past world, seen in pre-Raphaelite colours and compositions. Again, though, the images are interpretive, not only decorative. When the couple discover their liberty, the scene has changed to the cool, sophisticated sunlit setting of a Voyage house — a world far away from the sepulchral ante-room, lit through stained glass, where Sarah awaited her first interview with the dread Mrs. Pountney.

For the spectator who is prepared to open his eyes and see a film rather than some cautious, literal word-by-word translation of a favourite text, *The French Lieutenant's Woman* is a bold experiment in adaptation, and a singularly handsome and satisfying work.

John Schlesinger is an exact contemporary of Karel Reisz. Both were born in 1926, and made their first films within a year of each other, 20 years ago, in a period of British cinema renaissance. Schlesinger's American-made *Honky Tonk Freeway* is by no means as



Unshakable subtlety: Meryl Streep with Jeremy Irons

happy, however, as *The French Lieutenant's Woman*. The idea could have given scope for Schlesinger's wry vision of the American way of life: the story concerns a township threatened with death as a great new freeway sends life speeding by it. It is done as an all-star ship of fools, with little groups of cameo characters, from puns to bank robbers, from bridges to Jessica Tandy, converging on the place in their cars — not to speak of lions, a hippo and a water-skiing elephant.

The problem is a script whose joints seem all unglued. None of the individual comic elements coheres: bits of plot are glimpsed, but so fleetingly that you feel you must have missed something. The reason may be that the

stuff of a light, throwaway, small-town comedy has simply collapsed under the weight of a multi-million-dollar production.

A New Zealand road film, Geoff Murphy's *Goodbye Pork Pie*, gets a great deal more out of a budget that was probably one hundredth part of that for *Honky Tonk Freeway*. Following the peregrinations of two moderately delinquent young heroes — and their various female encounters, it is quick, funny, winningly unpolished and unpretentious.

Not so *Tattoo*. The director was Bob Brooks, an American who has worked in this country where he made a very likeable television play, *The Knowledge*; the writer was Joyce Bunuel, daughter-in-law of Luis and a filmmaker in her own right; the leading actor is Bruce Dern.

They have landed themselves however with a wretched tale of deviant sexual obsession. Hooked on tattooing, Dern can only achieve orgasm after decorating the naked love-object (Maud Adams) from top to toe with oriental motifs. Faint claims to larger psychological significance do not vindicate the creeping morbidity.

Take It Or Leave It suitably describes a cheerful recreation of the making of *Madness*, a currently successful pop group. Young Camden Town existentialists and layabouts almost accidentally get themselves into a group, and the pop big-time, the direction of a namesake, Dave Robinson, achieves a relaxed, good-natured style, though it is essentially for the fans.

David Robinson

Concerts

**BBCSO/
Rozhdestvensky**

Festival Hall/Radio 3

Clever Haydn, after all his years at the Esterhazy court, did not lose the naive perception of his peasant forbears. The great strength of *The Creation*, with which the BBC Symphony concerts opened a new season on Wednesday, is not so much in the grandeur of the choruses, inspired by Handel's *Messiah* which so moved Haydn in London, as in the musical descriptions of nature, the awakening of flora and fauna as each is created by the Lord, exquisite vignettes for orchestra, finally for Adam and Eve in their spacious hymn of gratitude to God.

If ever you are disposed to yawn at Haydn's *Creation* listen to his earlier, formal oratorio in Italian, *The Return of Tobias* (a worthy piece with some attractive music), then hear *The Creation*, from which stifling convention has quite vanished and, as the old English text put it, "a new created earth springs up at God's command".

Gennadi Rozhdestvensky, who conducted this account of *Die Schöpfung* (I call it that, since it was sung in German), is just the man for the occasion as a whole, and his choir was much in precision in the orchestral music, though the violas and cellos in the whale episode, and the feathery strings in the angelic trio, allowed the BBCSO to display its quality.

The choral music, as delivered by the BBC Singers, offered radiance in loud, full passages but also a heaviness and lack of Haydnian animation. It was as if Haydn had been taken by Mendelssohn's *Elijah*. Haydn's big *Allegro* choruses, like Handel's, needs buoyant phrasing, a marked pulse, and a tripping lightness if they are not to suggest some dreadful English border pudding.

The orchestral music needs more harpsichord filling-in than this performance allowed, also a less haphazard attitude to grammatical ornamentation. Faint claims to larger psychological significance do not vindicate the creeping morbidity.

Take It Or Leave It suitably describes a cheerful recreation of the making of *Madness*, a currently successful pop group. Young Camden Town existentialists and layabouts almost accidentally get themselves into a group, and the pop big-time, the direction of a namesake, Dave Robinson, achieves a relaxed, good-natured style, though it is essentially for the fans.

William Mann

Wolfgang Manz

Queen Elizabeth Hall

A different pianist awaited those who went expecting to hear Yuri Egorov on Wednesday. The Soviet visitor was indisposed, and his place was taken by "a pianist of 24 hours' notice". It was stated, by Wolfgang Manz, who at the age of 21 was the youngest of the six finalists in the Leeds International competition last month, and who was placed second. Word was already circulating then about his prowess, and his unexpected appearance on the South Bank served to confirm this, once past his opening nervousness.

He launched himself somewhat impetuously into Beethoven's *Appassionata*, Op. 57, the sudden contrasts of dynamics having a peremptory, even gruff character to them, but the variations of the second movement settled him down and brought about a powerful and disciplined finale. The sonata as a whole also served as preparation for an impressively shaped performance of its later fellow, Op. 110 in A flat.

Here were qualities of lyricism at the start and deeply felt intensity in the slow movement, with a controlled fervour in the cadenza. It was less an interpretation than a response to the music's challenge. Mr Manz keeps the keyboard at arms' length, with the piano stool unusually distant and himself perched on the edge of it, which perhaps helps to generate the musical imagination that presently informs his view of such music as Beethoven's.

Being a prizewinner in four major competitions since 1979, it must be a relief when he is not being measured against some hypothetical level, and he could regale us with virtuoso attack required for three pieces by Klement Slavicky and a suitably dazzling technique for the *Magister Waltz* No. 1 of Liszt, the like of which I have not heard since Cziffra was in his prime.

Some delicate yet beautifully sustained Chopin playing in a couple of Etudes as encores hopefully reinforced the expectation of future pleasure from his artistry.

Noel Goodwin

Clarity of tangled passions

The Seagull

Almeida, Islington

With rising inflections of fear, choreographed glances of strained patience and sound suspicions, with jokes that emerge as wails and whispers of frustration, Mike Alfreds's production of *The Seagull* is at the moment a concert of jealousies. More than usual, it is a clear picture of the web of tangled passions, reflected in each character who dares to love another. There is not only the despair of Kostya, the tragically inclined son of the actress Arkadina, when his loved one gives herself to the writer Trigorin, but shimmering reflections of that despair perfectly and humorously shown in Sandra Voe's obsessive jealousy of the doctor, her lover of 20 years.

In the lighter moods, the production is an entrancing addition to the play, kept buoyant by the smooth translation of Mike Alfreds and Lilla Sokolov. The staging is nearly as plain as the bare brick walls of the Almeida Theatre, but it is much the most mature performance yet by Shared Experience, a company dedicated to extracting the maximum of meaning and emotion through the simplest of means.

With little in the way of furniture, and less in the way of illusion as the characters watch the performance discreetly from the shadows in their moments offstage, the actors sustain and develop their characterizations with an unusual sense of completeness. It is as if they had responded to the removal of the safety net of elaborate staging by developing more fully the relationships with one another, becoming as dependent on each other as circus acrobats without a net.

Even so, there are incomplete characters, but none without a clear sense of direction. Gillian Barge, as Arkadina, is flamboyant and subtly authoritative while Philip Voss is a splendid philandering country doctor. There is a great sense of harmony in the entire performance of the company.

Ned Chaillet

Theatre

The sense of contact

Harvest

Ambassadors

Here, for the first time in many a month, is a genuine West End play, and if that seems a double-edged compliment, let me add that it also marks the arrival of a new writer well equipped with traditional skills in dialogue, plot manipulation, sensitivity to character, and, above all, a sense of contact with the middle-class public.

Ellen Dryden needs nobody to tell her that she is breaking no new ground in this story of a homecoming by the bright child who got away; nor that many of its details belong as much to soap opera as to living experience. She even includes a reference to *The Archers* to disarm any belittling comparisons. It goes without saying that Marian, the prodigal, will be an upper-crust Londoner with an uneasy marriage, that the family will be a blinkered little clan who dismiss her education as "showing off", and that the play will swing round so as to show there is as much right on their side as there is on hers.

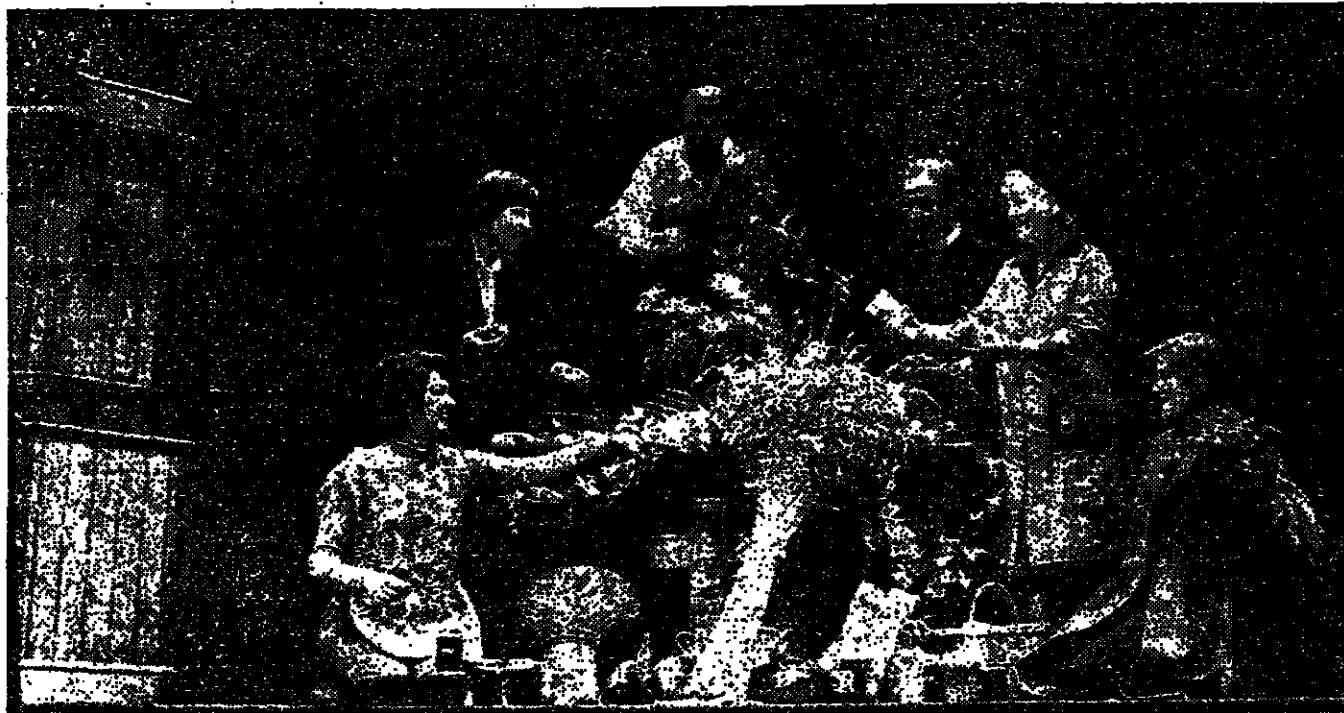
However, it does no justice to a piece as full of life as this to reduce it to a scenario. As one example of how Miss Dryden revitalizes the fam-

iliar material, take the opening funeral service for Marian's grandfather. The family sit with their backs to the audience listening reverently to a hymn.

Marian takes advantage of this pause to whip round and fill us in on her unsavoury memories of the deceased. It is funny; it supplies information; it is also a guide to the character of the vicar, who prefers to give the family a hymn rather than insult them with unctuous platitudes about a man he never knew.

When the action moves back to the bereaved home, Miss Dryden gets equal mileage out of the preparations for a funeral tea. A packet of lumpy sliced ham and processed cheese leads first into some barbed local gossip, which in turn reveals the long-standing enmity between Marian and her bossy sister-in-law, Christine, and then to the danger zone subject of her brother's degree course, with which he hopes to escape from his factory job. There follows an exquisitely embarrassing funeral tea, with the neutral vicar writhing amid the cross-fire, after which the truth comes out that the dragonish Christine has dispatched Ted back to his imprisonment in car components.

What engages your attention is the constant change of focus. Miss Dryden is very



Festival: Gwen Taylor (left), Lynn Farleigh, Donald Gee, David Horovitch, Mary Chester, Sylvester Le Touzel

good at brief youthful flashbacks that never delay the flow of the main story. She also sends other characters into the pulpit of Eileen Doss's ecclesiastical kitchen set to deliver funeral orations on the death of youthful hopes.

The set reinforces the detailed sense of a Methodist community which will strike an immediate answering chord in anyone brought up

in the atmosphere of hard chairs, wroth-note organ playing, and sumptuous Harvest Festival arrangements garnished with strings of plastic onions.

Alan Doss's production is as serious a piece of Shaker furniture, effecting the stylistic changes with simple precision, and clearing the stage for a group of performances that convert stereotypes into

flesh and blood. Lynn Farleigh's Marian begins as the voice of civilized mockery and righteous indignation; she then appears as someone who has never learned when to shut up, and finally — confronting the harvest display with lines like "It's just like a Fulham bistro" — she proclaims herself the eternal outsider. She has a massively confident adversary in Gwen Taylor's

Christine, who compels you to quail before what might seem a cardboard battler. There are lovingly accurate performances from David Horovitch as the intellectually self-mutilating vicar, Donald Gee as the steady brother, and Sylvester Le Touzel as the rebel teenager about to scale the wall to the wilderness outside.

Irving Wardle

Galleries

**Eye for Elegance:
George Hoyningen-Huene**

Photographers' Gallery

You have to admire the catholicity of taste the Photographers' Gallery evinces in its choice of exhibitions and clearly expects in its visitors. By and large, things seem to be divided fairly evenly between the two orthodoxies of photography as record — thereby often proving that ideological extremes in practice tend to meet in the middle.

The point is well made in the four shows currently spread over the two neighbouring galleries in Newport Street. Two of them, dedicated to Tim Gidal's work in the 1940s and Lucien Aigner's

in the 1930s, are undoubtedly on the side of photo-reporting. Gidal is a German who in the 1940s lived in England; Aigner is a Hungarian who in the 1930s lived in France.

Both have worked for the major picture magazines, and both turn a sharp eye on the oddities of street life and, in Gidal's case, the charms of being off duty as well as the horrors of war. But then, some of Gidal's curious upside-down pictures of shadow and substance are as disturbing and abstract as the artist's photographic manipulator could wish.

In the entrance to the Tom Hopkinson Room and these two shows there is a complete contrast in Philip Block's exquisite colour pictures *Winter Upstate* (New York, that is), which suggest a record of things as they are but immediately set one wondering just how much the photographer ensured that one dazzling touch of colour

in a white world, either by physically putting it in front of his camera or by judicious bleaching and colouring afterwards. These shows are on until November 1.

But the big excitement, in the other hall, is a retrospective of George Hoyningen-Huene, the Russo-American photographer widely recognized as the father of modern fashion photography (until November 8). Clearly there is nothing here of the happy accident, the moment captured as it flies. The fashion pictures are as severe, deliberately composed and monumental as the paintings of his teacher Andre Lhote (who also, curiously enough, taught Cartier-Bresson to very different ends). Often everything is easily controlled, in a studio, but even on location we seem to look into a private world not so remote from Chirico's. Fashion was not the limit of Huene's vision: he took many

simple, uncluttered portraits which allow the sitter's character to shine out, and later on he went in for architectural photography — of Greece, Mexico and Palmyra — which has exactly the same feeling as his work with human figures, though whether the humans are being treated as buildings, or the buildings as people, who can say?

It should also be remembered that Huene wrote a fine book about unspoiled native life in Africa during the 1930s, arising from an almost mystical sense of the heroic image of the African, about to be forever changed by the twentieth century. Leni Riefenstahl in our own day has reacted in just the same way to the Nuba, and thinking back one can see a close-knit relationship between her Olympic Games film of 1936 and Huene's photographs of the same period.

John Russell Taylor

Merry Happy Returns

"100 years old and still full of life"

Natural History Museum South Kensington

THE GLOBE THEATRE

It's larger than life and twice as funny

A marvellous party I couldn't have enjoyed it more

GLOBE THEATRE

Women in politics: why men have a head start — and one woman's view of life in the Commons

The man who stops them in their tracks

Elizabeth Vallance provides evidence that the British electoral system counts against getting women into Parliament

It is easy to assume that the tiny number of women in the House of Commons (fewer than 3 per cent) must reflect the lack of political interest of women as a whole. Women, after all, make up more than half of the electorate. A number of facts, however, argue against the theory that women are simply apathetic. To begin with, women are the most politically active section of the population. They make up between 50 per cent and 60 per cent of the membership of the major political parties. More women than men take the active and, in our society, exceptional step of publicly acknowledging a political affiliation.

In some parts of the world, women fare a great deal better in the political stakes. In Scandinavia, for example, women make up between 23 per cent and nearly 28 per cent of the national legislature of Norway, Sweden and Denmark. Whereas the British figure has always remained less than 5 per cent during the 62 years of women's representation in Parliament, the Scandinavian figures have increased more or less continuously, accelerating with the renewed pressure for women's rights in the late 1960s and 1970s. In the Netherlands too, although the percentage is not quite so high, the development has been similarly cumulative: from 8 per cent in 1971, to 13 per cent in 1974, to the present 16 per cent.

Why Britain has remained unresponsive to the changed status of women, recognised in legislation by successive governments, requires an explanation. That these countries are simply more socially advanced than ourselves will not, on its own, supply an answer. And it is hardly borne out by the cases of Italy and Ireland, neither of which could be thought of as in the vanguard of women's liberation, yet in both of which women are better represented than in Britain.

If not in social attitudes, then, where does the explanation of these disparities lie? There is no clear significance in the dates of women's enfranchisement. Many, like

Britain, gave women the vote after the First World War. Italian women, however, did not formally enter the political arena until 1945 and the Swiss have now achieved a percentage more than three times Britain's, in spite of granting women the vote only in 1971.

Perhaps the answer does not lie in cultural attitudes or the length of time women have had access to the political system but in that system itself, particularly in the ways in which candidates are selected and elected. All the countries so far men-

As for dress, his suit would be a single-breasted grey worsted, even a slight pin stripe, but without shoulder padding — say an off-the-peg Austin Reed. An old school tie would probably count against him and it would be safer to wear a silk paisley number against a Marks and Spencer plain or fine striped shirt. Coloured shirts are out. Shoes should be staid and entirely of leather.

He might wear a good watch, non-digital, but few other ornaments. He would not increase his chances by wearing a gold chain or a shirt, slashed to the navel. Above all, he must show a sense of gravitas. Grey flashes above the ears and a pipe would hint at maturity and discretion. Cigarette smoking should now be avoided — old fashioned, unhealthy, and contrary to all medical evidence and advice.

There is no incentive to choose a woman, and although all the evidence is that the electorate will not discriminate against her once adopted as the candidate, selectors are unwilling to take what they still regard as this risk. Women therefore are all too seldom selected for winnable seats — and almost never for safe ones (Mrs. Thatcher was the only Conservative woman at the last election whose constituency could be so described).

In PR systems, on the other hand, the electorate are presented with a choice of candidates in multi-member constituencies. In this context, the pressure on selectors is to present the electorate with a list which will appeal as far as possible to all sections of the community. Most European electorates are, like the British, more than half female and selectors have to take this into account.

The evidence is that where the social climate is already supportive of women, PR makes it likely that more women will be selected and that the voters are thereby given the chance to elect more.

The author is Senior Lecturer in Politics, Queen Mary College, University of London.



The evidence is that the electorate will not discriminate

tioned with a high proportion of women elected use proportional representation (PR) of one form or other and there is evidence that this is helpful to women candidates.

The reasons are not hard to find. In a single-member first-past-the-post system such as ours, the electorate is presented with one candidate for each party. Party selectors must choose the single candidate most likely to win.

On past record, the person most likely to be chosen is male, white and married, although entry to the Commons will increase his chances of divorce. Ideally, he would be in his middle thirties with a prosperous look, perhaps a little overweight, with a good head of hair. To not seem too intellectual, he would wear contact lenses rather than glasses.

On past record, argues Elizabeth Vallance, the person most likely to be chosen is male, white and married, in his middle thirties with a prosperous look, perhaps a little overweight, with a good head of hair. His suit would be grey worsted, even a slight pin-stripe, but without shoulder padding, worn with a silk paisley tie against a plain or fine striped shirt. Above all he must display gravitas — grey flashes above the ears and a pipe would hint at maturity.



When being a woman helps find a seat

Sheila Faith, Conservative MP for Belper, explains the benefits — and the drawbacks — of being a woman in the Commons

I was the only brand new woman to win a seat for the Conservative Party at the last General Election. As well as wishing for greater representation for my own sex, I deeply regretted that I had not entered Parliament sooner. Both my parents were hard-working business people and I had been a convinced Conservative from an early age.

Although I have no children, I know from my own personal experience that it is often difficult for a woman to take a practical interest in politics in addition to combining her own career with family responsibilities. However, older women who are fascinated by politics and feel sufficiently dedicated should not be daunted, and I am sure that like myself they would find the work stimulating and rewarding. I certainly have found it difficult in adjusting. After two months I felt as though I had been a Member of Parliament all my life, and this feeling has remained. It was not until 1970 that I entered politics seriously when I was asked to fight a hopeless seat for Northumberland County Council. The ward was based on a traditional mining area and to the chagrin of the local Labour Party I won the seat and my political adrenalin started to flow from that moment.

When in 1974 I decided that I would like to fight a seat at parliamentary level this was not so straightforward and I had to attend several selection conferences even before being chosen to contest Newcastle Central, a Labour stronghold. In the 1974 General Election, none of the men who were interviewed on these occasions subsequently became MPs, and I can only assume that I was more determined to have better luck — or even more ability — than those men who were chosen instead of me.

In 1975 I set out on the trail to find a winnable seat and had to look further afield than my own Northern Area where Conservatives are sadly thin on the ground.

At this stage I believe it was an advantage to be a woman,

and in particular a mature woman who could offer experience in business and professional life as well as in local government. I certainly found it easy to obtain interviews, probably because constituencies felt they had to interview a token woman. They might as well interview one with a good track record, therefore, though they may have had no intention of actually choosing a woman.

After having been down to the last three on half a dozen occasions, I was fortunate to be selected by Belper, and



The only meal my husband and I have together is Sunday lunch

then had to accept that I would have to pull up all my roots and leave behind an interesting life in Newcastle as a magistrate and city councillor.

Although it is particularly easy for a woman Member of Parliament to become known and trusted by her constituency, being a female parliamentary candidate is much more difficult. The association may react against their decision and wonder if a woman will have the stamina to fight a long and arduous campaign. Grooming and clothes are under constant scrutiny. When my husband attended several functions my constituency association wondered if I was unable to manage without him and when later he was too busy and appeared less frequently they wondered if the marriage

was breaking-up or if he did not approve of my political aspirations.

If a husband, or wife for that matter, did not approve it would be impossible to live a life which involves working the most ridiculous hours. The only meal my husband and I have at home together is Sunday lunch and he has become accustomed to my frequently returning from the House of Commons in the early hours of the morning and sometimes having to stay all night.

Very few would-be members of Parliament can expect to be selected at the first constituency association interview, and many applicants may feel discouraged by the disappointment of being turned down. The encouragement I received from the Conservative Party in the North-East kept my own spirits high. Also, disappointment was no stranger to me for after 16 years of married life I became pregnant and to my joy carried the baby to the full term only to give birth to a stillborn child. From then on any other disappointment paled into insignificance.

When competing for a seat at Westminster, it may well be that men do interview better than women. Constituencies should be aware that when there are two candidates with the same intellectual ability and common sense and whose political views are on the whole acceptable to them, if a woman is chosen she will bring an extra dimension to her work.

Once in the House of Commons all MPs work in the same cramped and overcrowded conditions. I am the only woman sharing a corridor with seven other members as my desk is in the cloisters, but I am fortunate to work within the Palace of Westminster. The lack of facilities is made bearable because most members of Parliament on both sides are courteous and considerate and are particularly helpful to women members. Chivalry is certainly not dead in the House of Commons.

The Times cross-Channel shop food test: Is British food as good as French? Report by Robin Young

The Great British croissant versus the French black pudding



Catherine Manac'h

'I think that the mature Cheddar is one of the best cheeses here'



Michel Roux

'Justin de Blank's brioche is terrible — almost inedible'



Shona Crawford Poole

'The pâté looks as if it is filled with Spam — and it tastes worse'



Jane MacQuitty

'The eclairs are like the 6th form's attempt at choux pastry'

This year's edition of *The Good Food Guide* has an experimental section on the French — Channel ports, included on the grounds that the food market resources there put to shame "deplorable food in the English countryside".

Jane MacQuitty, the editor of *Wine and Food in House and Garden*, has reached a similar conclusion: "The French housewife can easily resort to the corner shop without damaging her reputation as a good cook. The British sadly cannot, but must shop around or make it herself."

So, how much better is shop-bought food from France than that available in English? *The Times* organized an internationally competitive blind tasting to find out whether food that is French really is better.

The judges

We invited four expert judges — two French and two English. Jane MacQuitty agreed to see whether her proposition would stand up. On the English side she was joined by Shona Crawford Poole, *The Times* Cook.

On the French side we had Catherine Manac'h, a resident representative in Britain of Food and Wine from France, the official promotional organization for Gallic gastronomy; and Michel Roux of the Waterside Inn at Bray, one of Britain's pre-eminent French restaurants.

The shops

We chose all the shops from which we took samples with care. In Britain we ranged from London to East Anglia and Lancashire, but in France we went no further than Boulogne. That did not make the competition so unfair, since Boulogne is exceptionally well-provided with food shops, even by French standards.

The French shops were: André Lugand, 9 Grande Rue — a patisserie who carries the accolade of *meilleur ouvrier de France* and sells some of the finest cakes a day-tripper ever dreamt of.

Boulangerie Moderne Demarchez, corner of rue Thiers and rue Faidherbe — a conventional rather than exceptional French baker.

Derrien, 1 Grande Rue, a charcuterie which the *Good Food Guide* apparently overlooked, but which the Boulogne generally rate as their favourite. Philippe Olivier, 43 rue Thiers, France's youngest *maitre-fromager* who supplies Roux and most leading French restaurants in London and the south-east with cheese from what the *Good*

Food Guide calls "one of the best cheese shops in northern France".

The British shops were: Justin de Blank, 42 Elizabeth Street, London SW1 — the Queen's baker and proprietor of a fine food shop which takes pride in making most of what it sells.

Hampers, 60a High Street, Blakeney, Norfolk — a food shop run by Sophie Norwak, the cordon bleu daughter of a cookery book writer, described by Susan Campbell, compiler of *The Good Food Shops Guide* as "simply the best of those places where women cooks sell food they have made themselves".

Morris's Pork Butchers, 120 Market Street, Farnworth, Lancashire, fabricator of the black puddings sold at L'Escargot in Soho, which have won prizes at the French black pudding competition organized annually in Montargis-au-Perche.

The Cheese Shop, 74 Beccles Road, Oulton Broad, Norfolk — an improbably wonderful specialist shop run by Mrs. Shirley Webster-Jones, one of two British women to have been admitted to the *French Guide des Fromagers*.

The results

The panel all proved reasonably accurate in telling which country the food had come from. Michel Roux, the most assured, got 36 right, and the others were all within three or four of that score.

● Bread: No-one thought the Moderne's croissants beurre came from France. The panel found an excess of fat, not butter, about Justin de Blank's croissants, which Michel Roux rated "dreadful". The class was won by Lugand, who also scored a narrower victory with brioche — the last three that had been left in his shop. Roux was as angry about Justin de Blank's bun-like brioche as the croissant ("terrible" — almost inedible), but the others were less censorious. Jane MacQuitty said its odd cake-like flavour was better suited to the tea-table than the breakfast tray.

Justin de Blank's loaves fought a draw with Boulangerie Moderne's *pain de ferme*, but in butter his farmhouse Wensleydale was, thanks to Michel Roux, preferred to Sainte Mère, the butter made from unprocessed milk which Philippe Olivier nominated the very best butter available in France. Jane MacQuitty dissembled saying the French butter had a "delicious sensational taste" and asking "why is French butter so much better than English?"

● Pies tartlets and puddings: More contentious still was Justin de Blank's deep, loose textured quiche. The English judges were willing to forgive its eccentric appearance for the flavour. The French were less impressed. The decision went, narrowly, to individual quiches. Lorraine Derrien, which Michel Roux pronounced "almost perfect".

Derrien won the pizza prize too, the sternest English competition this time coming from Sophie Norwak of Hampers. Justin de Blank's neat offering on its wholemeal base, Shona Crawford Poole noted, was "so wrong it must be English".

In the meat department Sophie Norwak had a triumph with a chicken and ham pie, comfortably the highest scoring exhibit in the whole show. Derrien impressed no-one with a fatty *pâté de campagne* and a dull *potée croutée* which, Shona Crawford Poole said, "looks as if it is filled with Spam, and tastes worse".

There was no difficulty in distinguishing English black pudding from French *boudin noir*, but only Michel Roux's vote gave the French version, from Derrien, its advantage.

● Cakes and sweets: In the cakes Sophie Norwak won with large white meringues which I would not have dared to transport from France, even if I had found them for sale there. Little separated the eclairs, but the highest scoring, oddly, was the cheapest, from the Boulangerie Moderne.

Lugand had an easy win over Sophie Norwak with "very boozy" (Shona Crawford Poole) truffles. The English version, soft and sticky, pleased none of the judges. For Michel Roux it was the fourth English product he marked as nought out of ten.

● Cheeses: Here there was effectively a five set singles match between Philippe Olivier for France and Mrs. Webster-Jones for Britain. We asked for both French and British cheeses from both.

Philippe Olivier made no pretence of being proud of his selection of British cheeses. In fact he only had two among some 140 varieties in his shop. One was a square block Scottish Cheddar, the other he called "Chester jeune" recommended for Welsh rarebit which is a speciality around Boulogne. Perversely perhaps our panel gave more votes to that than to Mrs. Webster-Jones's farmhouse Cheshire.

Olivier also won with his Cantal, stronger than Mrs. Webster-Jones's. But it was the English shop's three other cheeses which won highest praise. The mature Cheddar

Catherine Manac'h called one of the best cheeses here" (while Jane MacQuitty suggested "only the English would have the nerve to sell" the Scottish cheddar bought in France); the Webster-Jones Fourme d'Ambert Michel Roux thought "excellent" compared to Olivier's "over-ripe, too strong".

Everybody guessed wrongly which Camembert was bought in England and which in France, but Jane MacQuitty said Mrs. Webster-Jones's

"most English would probably think too strongly flavoured, but I think it's magnificent." Shona Crawford Poole marked it perfect.

The game overall could be said to have been fought to an internationally honourable draw. In the 18 classes of products we submitted to the panel it was a sample from the French shops which carried off highest marks nine times, and from the British nine times also.

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Sir Freddie Laker (right), pioneer of cut-price air travel, hopes to hear from his bankers today that the terms for repaying loans totalling \$160m for American aircraft have been eased. Like other airlines, Laker has been hit by rising costs and falling revenues. Michael Bailey reports on the airline's future



Is Freddie Laker still flying high?

Is Sir Freddie Laker, the piper who led Atlantic air fares down with the Skytrain in 1977, about to be forced to lead them up again? He says not. "We have no need to put up fares," a Laker spokesman said yesterday. "Unlike some others, we are making a good operating profit." And such a course, for a man who has become something of a folk hero, would involve eating humble pie. That is not a dish temperamentally to Sir Freddie's taste.

But the pressures on him are strong, and as a result of Pan Am's bull-rush into Laker's own backyard, about to intensify. There is the pressure of repayment of his dollar loans for American aircraft, inflated by the overvaluing of the dollar against the pound. No one except him and his bankers knows exactly how strong this pressure is, but it must be strong for a man like him to call for help.

That is the third reason until Pan Am's new cheap fares there were hopes that through trimmed capacity and slightly higher fares, this year might be better. Now those hopes have been dashed. That is the third reason

why Laker is under pressure. For in dashing the hopes of Atlantic carriers generally, Pan Am seems to have set out specifically to dish Laker.

Contemplating Ed Acker, Pan Am's new chairman, Sir Freddie may discern an ominous likeness to himself. After a disastrous £145m loss last year, Pan Am appointed him largely on the strength of his success at Air Florida, where he had turned loss into profit by ruthless cost-cutting, restructuring and aggressive pricing. He is the archetypal aggressive American marketing man, reveling in the free market of deregulation. His response to Pan Am's huge problems was therefore fairly predictable: after staff and salary savings of about £10m a year and sale of Inter-Continental Hotels to clear off costly short-term debts, it had to be massive cuts in Pan Am's economy fares across the Atlantic, by 31 per cent (£150 to £100), by 60 per cent (to £160) to Los Angeles.

Significantly, the biggest cuts are on the prime routes to New York, Los Angeles, and Miami where Laker has carried about 17m passengers across the Atlantic last year. But about 8m seats were empty and that, together with price-cutting, produced a £300m loss between them.

A more measured response came yesterday from Alastair Scamman asking him to consider his decision to resign from the West Midlands force after four-and-a-half years in charge of the once-notorious Handsworth district, but 14 years before the official ending.

"Young men come into the service now," he said, "and they've seen Starksy and Hutch and they think it's all going to be like that. We must never let that style of police happen. We're the silent service; we don't stand up and protest that that style of policing is not what we're all about."

Released from his vows of silence, Supt. Webb has been making his protest with vengeance; although he will

Am has sparked off a battle of gateways (main access points to the United States) which it cannot possibly win. No airline serving major gateways like New York, where the main blood-letting will be at its fiercest, can allow Pan Am to dominate the market with lower fares.

"With the winter period approaching and recession still biting deeply, there is virtually no additional market to be gained. A straw-clutching measure of this kind can only result in further damage to airline viability."

"Either airlines must change to more rational tariffs or we must accept the inevitable result of low-fare policies gone mad and see major carriers simply disappear. Pan Am's move may bring about a cataclysmic change on the North Atlantic, to the eventual detriment of the travelling public and airlines alike."

To all of this Pan Am responds with an air of unjaded innocence. In the first place, it points out, these are not new low fares; they are exactly the same as those already charged by Laker and two others. So what is wrong with matching the competition?

The competition, in the form of Laker, might reply, "Because, with us, these fares are commercially based on actual costs. With them they are not. We have never made a loss in 16 years, and are

making a good operating profit now."

Pan Am says that after its economy drive, these rates are commercial for it too. A lot will hinge on the validity of that claim. And it certainly could be true in the sense that the fares may improve Pan Am's yield from its Atlantic fleet.

Practically none of Pan Am's passengers was paying the old tourist fare because it was too high compared with Laker and too close to the next fare up with a higher standard of service. Tourist seats were filled — to the extent they were filled — by the kind of restricted special offers with which the main scheduled airlines had previously responded to Laker.

The new tourist single to New York at £124, will actually cost more than the Super-Apex at £233 return from next month. But it will lack the Super-Apex strings (return trip only, must be bought 21 days in advance, minimum seven-day maximum six-month stay) and thus acquire the attractive simplicity of Laker. So attractive that other airlines cannot afford to ignore it; British Airways and TWA have already decided to follow suit.

Simpler fares are indeed an Acker crusade which he hopes to carry into the International Air Transport Association if the Reagan administration permits

% Growth in Transatlantic passenger traffic									
	Jan	Feb	March	April	May	June	July		
US-UK	0	+8	-11	-8	+18	-1	0		
UK-US	+20	0	+10	+3.4	+3.7	+3	-3		
Dollar/£ rate	2.36	2.20	2.22	2.14	2.07	1.93	1.84		

David Watt

Getting to the heart of the Tory rift

What is the dispute in the Conservative Party really about?

The ordinary voter, even one who ploughs through acres of coverage in his morning paper or stays tuned in to hours of television from Blackpool, must be totally confused by now. At one moment it seems a straightforward question of personalities and power — a fight between Maggie and Ted or Maggie and a number of other individuals who dislike her or who want her job.

But then protagonist and, indeed, referee, seconds and stewards raise a united chorus to the fact that it is all a travesty got up by the trivial and irresponsible media. The argument is about policy and indeed high principle.

Yes, it is? Half the time the two sides seem to be denying that as well. That great rebel, Mr Norman St John-Evangelos, produces with a fanfare of trumpets his "six point charter for change, but boiled down to its essence it amounts to one sentence: "we need a change of tune."

The Young Turks, known as the Blue Chips, write even better than Mr St John-Evangelos but what they are saying in crucial sections of their gospel, *Changing Gear*, comes to the same thing: "Just as most of (the Government's) economic policies are defensible for what they are, rather than what they are not, so industrial and social policies would look stronger if they were presented as the concession policies they are."

"Why, then, have we achieved so unenviable a reputation as industrialists, men and social reactionaries? The answer, once again, lies in our skill as propagandists, for an ideology which we have not carried out in practice."

So it is all public relations, then, after all.

Ah, replies the wisecracker, it is much deeper and simpler than that. What it is really all about is winning the next election. The Tory party is ruthlessly acquisitive about office and when it sees its chance of reelection being buried beneath the avalanche of unemployment figures, it naturally becomes restive.

But here again there are terrible puzzles. In the first place, the party faithful, assembled in Blackpool Winter Gardens, don't seem all

that worried. They are, after all, the grassroots activists and it is they who will suffer if the Social Democrat landslide actually occurs. Why aren't they demanding a change of course instead of urging Mrs Thatcher (as most of them have been doing all week) to be even tougher and more recalcitrant?

There is another conundrum. If it is the economic situation that is making the party's political prospects so desperate, why don't the "wets" produce something

miscalculations early on, partly to divisions in the Cabinet and partly to the original economic strategy is in ruins and cannot possibly be put back into pre-1979 condition before the next general election.

The "dries" know in their hearts that unemployment will probably not fall much below three million before the end of 1983. If then, and the sunlit uplands of good, steady economic growth and regular tax cuts are as far away as ever.

The "wets" know that the modest refractory package they are proposing is already pushing at the outer limits of what could be achieved, even by Keynesians without sinning against the altar of inflation.

In other words, starting from where we are now, international circumstances leave any government with little room to manoeuvre.

In these circumstances one is not being particularly cynical in saying that the suppressed "real" argument between Tory right and left consists of (a) a debate about the damage of tax limitation and (b) a staking out of positions for the post-election struggle for power.

On the first point, the outlines of the discussion were delineated by a middle of the road MP who remarked this week: "nothing on earth is going to rescue the economy as far as I can see, but, granted that, I'll plump for a policy that is most likely to keep out Mr Benn. That means the Blue Chips and Toryism with a human face."

On the other side are the "wets" who are the sheep as a lamb" contingent who believe that voters will not be impressed by anything that can be interpreted as a U-turn even if it is only a change of tone (a change which by the way, given the "dries" might otherwise approve).

Better that Margaret Thatcher should go down with all guns firing, with a faint hope of impressing the voters with her "Prime Minister's speech" than that she should get the worst of both worlds by giving up her reputation for tenacity and making no more than a small and temporary dent in the unemployment figures.

Never knows in politics what may happen, and once unemployment turns downward, spirits may rise dramatically, even if large numbers remain out of work.

The Blackpool conference has not really tipped the balance of this argument one way or another. All one can say is that nothing has been uttered or done to force the Prime Minister to the Chancellor to modify their deep-rooted preference for the second set of arguments.

The Prime Minister and the Treasury can certainly best back calls by the wets for a new relations package, but they will have their work cut out to force through Cabinet in the next three weeks, or through Parliament in the next three months, the cuts of £7,000m they are seeking to restore to the Treasury.

Even more doubtful is what happens if, during the winter, the SDP begin to make a real impact. The Crosby by-election would turn many of this week's complacent constituency Thatcherites into ferocious "wets".

In these circumstances, the inevitable object would be in irresistible force, and one does not know what would happen then, one could predict that those who this week have criticized the Government's position will not regret their stand.

Mrs Thatcher: better that she goes down with all guns firing than give up her reputation for tenacity.

more drastic to alter it? Even if one leaves St John-Evangelos out of the count as being excessively oblique and concentrates on the "wetter" proposals one can find, nothing very radical seems to emerge.

Sir Ian Gilmour and the Blue Chips are calling for a refractory package of £5-6,000m in 1982/3. Mr Heath is in favour of trying to bring down interest rates and stabilize exchange rates by international cooperation. All very desirable in the non-monetarist mind, but not calculated to have more than a marginal effect on unemployment before the next election.

So perhaps it is a matter of personnel after all. The only way off their mental treadmill is to try to think in different categories. The party seems to be divided at present between those who privately believe that (barring miracles) the next election is probably going to be a Tory disaster and those who do not.

The latter group includes pretty well all the rank and file at Blackpool who, like activists of all parties, tend to take a rather puritanical and dogmatic view of the situation.

The root of the trouble, according to this line, is not the government's policies but its performance. Ministers do not adhere strictly enough to the promises made during the election. The rats (and we all know who they are) got at them. All that is needed to restore conviction, credibility and therefore success, is return to the rigours of the manifesto. There are two years to the election, the Social Democrats are still a cloud in the distance, a man's hand in most Conservative constituencies. Therefore, they continue to load Mrs Thatcher with praise for her courage and constancy and encourage Mr Heath for rocking the boat.

The other group, comprising many members of the Government, and most economically literate Conservative MPs of all persuasions, know that this is cloud-cuckoo land. Thanks in part to some

George Brock

Exit a forceful friend of the community

Superintendent David Webb sat in the Punjabi sweet shop on Birmingham's Soho Road eating an eye-watering curry and drinking Coca-Cola. In the background, two small West Indians jubilantly stacked up huge scores on the "Moon Alien" machine. The cook watched a *Carry On* film.

In the previous 48 hours Superintendent Webb had received the unusual compliment of messages from the Lord Chief Justice and Lord Scarman asking him to consider his decision to resign from the West Midlands force after four-and-a-half years in charge of the once-notorious Handsworth district, but 14 years before the official ending.

"Young men come into the service now," he said, "and they've seen Starksy and Hutch and they think it's all going to be like that. We must never let that style of police happen. We're the silent service; we don't stand up and protest that that style of policing is not what we're all about."

Released from his vows of silence, Supt. Webb has been making his protest with vengeance; although he will

not leave the force until December the news of his resignation, coupled with his steadily acquired reputation as a working "community" policeman succeeding in the least favourable circumstances, is a potent piece of blackmailing for Lord Scarman's Brixton report which is likely to give this approach a powerful shot in the arm.

David Webb's way of doing things was not the product of elaborate theories about "contact" or "consensus" policing. In the summer of 1977, two days after the clash between the National Front and the Anti-Nazi League in Lewisham, there was a serious mini-riot in Handsworth, triggered by a Front crooked chuckle but principally aimed at the police. Police cars were savagely stoned and the local station almost came under siege. Then came two pamphlets: *Shades of Grey*, a report from the police side of the confrontation painted a grim picture of fear and tension on patrol; *Talking Blues*, a series of interviews with West Indian youths, portrayed an equally bleak situation from the other side.

The new superintendent at the redbrick station in Thornhill Road had been promoted into the job only months before. Although 15 years in the West Midlands have furnished him with a slight Brummie accent, he had been brought up in Hertfordshire and spent his first 11 years as a policeman there. He defined his central difficulty as this: "If people believe, rightly or wrongly, that the police are misbehaving and they have no contact with that police, then we've fallen down."

His simple but slow-acting remedy was to continue doggedly talking to anyone who would talk to him, and gradually to extend his range of contact. He now has plans for a special Rastafarian centre in Handsworth, designed to be the exception to the general rule that "dreadlocks" are banned from almost everywhere, and he has plans to open a street where they tangle with the police — an idea which would have looked like a mad dream four years ago.

The national attention accorded Handsworth enabled him to put more policemen on the beat. Policemen, not

always willingly, were sent to schools, discos, reggae festivals, old people's centres, camps, seminars and bars. Constables were sent systematically to schools to talk through the question of why society has police forces and how they should operate, accompanied by firm instructions not to dodge awkward criticism and to put television shows like *Sweeney* down as entertainment rather than reality.

There are local critics who dismiss Webb's efforts as token, and political activists who view him as the dark blue velvet glove on the mailed fist of repression. The acid test came last July when Handsworth was visited by small outbreak of the rioting then in fashion across the nation. Shopfronts on the Soho Road were smashed and Supt. Webb was out among the flying bricks.

Every policeman in this station is a community relations officer, he says, and he has little time for separate departments created to relate to the community. His own force's special department for community relations is its service and how much a real priority.

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Thursday night I have 30 bobbies out in discos, the next morning they're all there on the streets on patrol. They're a proper part of the force."

A young sergeant, who has been at Handsworth for four years, described what happened the next day. "It was incredible, just like Christmas Eve. People were so good to us, they were really keen we stayed out on the streets. Now I've been down this road before and you could really feel the tension and the sense of violence."

What went wrong? David Webb has received delegations of foreign academics, from outside forces and last week, from the Tenth Defence Committee, but he is now leaving early to set up an office in Handsworth which he will use as a headquarters for what sounds like a vague mixture of community business and political activity. His reasons illuminate the discreet debate going on in many forces about how much the recent shift on "community policing" is its service and how much a real priority.

George Brock



Supt. Webb: forget Starksy and Hutch

Has Mr Browne missed his own Nobel bus?

With the award of the Nobel prize for literature to Elias Canetti, our sympathy should go to Patrick Browne, the Cambridge bookseller who recently co-founded the Translation Book Club. Browne has been negotiating for some weeks to bring out a club edition of Canetti's book, *Kafka's Other Trial*, an assessment of the relationship between the tortured Czech novelist and his beloved Felice, published in 1975. But Browne now fears that his publishing virtue may produce someone else's reward, since Canetti's sudden celebrity is likely to push the price of the book beyond the budget of his newly-founded enterprise.

Meanwhile, from Penguin comes the sound of teeth being energetically gnashed. After publishing Canetti's best-known novel, *Auto da Fé*, in paperback for a dozen years, they allowed their edition to lapse in 1978 in one of the periodical prunings of their backlist.

Publishing rights in the book were promptly snapped up by their arch-rivals, Pan, who spent yesterday afternoon besieged by journalists and booksellers for copies of the £1.75 Picador edition, the only one in print.

Stamping ground

At the beginning of next month a special exhibition will mark the official opening of the palatial new premises of Stanley Gibbons,



Inside the old Romano's

the stamp dealers, on the north side of the Strand. Keen philatelists will of course know that the new shop has been business since before the Royal Wedding. But relatively few people I suspect will recall that the site, no. 399, was once the home of the famous Romano's restaurant, which my photographs show in its heyday in about 1876. "Discovered" by Richard D'Oyly Carte, the restaurant became the favourite haunt of the Victorian and Edwardian Man-about-town and a sort of unofficial editorial office for the staff of the *Sporting Times*, better known as the *Pink'un*. Its demise in 1941 was lamented by *The Times* in a long and eloquent leading article.

Wodehouse enthusiasts may remember that Bertie Wooster was fond of advising people that an easy way for a chap to make

some money was to bet another chap that, from the pavement outside Romano's, you could see the time on the Law Courts clock. You still can.

Onion tears

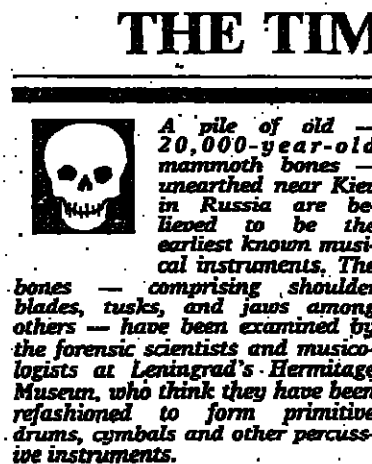
A sad story from Derbyshire improbably involving a giant onion, a night-time raid, a crooked church spire and thousands of pounds earned by moonlighting. It has resulted in six journalists from the *Sheffield Star* and *Morning Telegraph* being summarily dismissed.

The "Spire News Agency Saga" begins several years ago when some of the reporters working in the Chesterfield office, which provides local news for the two Sheffield newspapers, started to sell items to radio, television and the national press.

In the late 1970s some of these journalists decided to rationalise the arrangement by forming a new freelance partnership and calling it the Spire News Agency after the famous crooked spire which graces the town's parish church.

All went well for the agency for some time — despite the fact that some of the freelance work not sanctioned by the journalists' editors was contravening the terms of their contracts of employment. Then last month, four years and several thousand pounds after Spire had been created, a news item about a local prize-winning giant onion was sold to the national press.

Not exactly a Pulitzer prize-winning piece — but management suspicions were aroused when articles about the onion appeared in several national newspapers on



A pile of old bones — 20,000-year-old mammoth bones — unearthed near Kiev in Russia are believed to be the earliest known musical instruments.

The bones — comprising shoulder blades, tusks, and jaws among others — have been examined by the forensic scientists and musicologists at Leningrad's Hermitage Museum, who think they have been refashioned to form primitive drums, cymbals and other percussive instruments.

Each bone instrument — there the same day as the news was published in *Sheffield*.

As a result of this David Flynn, editor of the *Star*, and several other executives took the unusual step of visiting the district office in Chesterfield on the night of September 28th and removing files and various other material associated with the Spire News Agency.

The following morning six journalists were summoned to meet their respective editors in *Sheffield* who dismissed them on the spot. Last Friday, four of the six, who were not members of the partnership, appealed: while admitting that they had accepted money from the agency, they argued that their role had been an essentially passive one. However, the appeal was rejected.

THE TIMES DIARY

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tried to block his plans for the reconciliation on the grounds that she would be embarrassed by a suggestion that the Prime Minister later said was absurd. Then, the chubby Picton who is, as YC chairman, supposed to dance with Mrs Thatcher, claimed he couldn't dance and made himself scarce when the Master of Ceremonies announced the quickstep in Mrs Thatcher's honour, thus pushing her into the president's arms.

The reconciliation was not all sweetness and light. Earlier at the YC fringe meeting, Sir Ian had put forward his package of alternative economic policies. In Mrs Thatcher's short call-to-arms speech from the stage at Tiffanys, she paid tribute both to Sir Ian and to Cecil Parkinson, the party chairman. Sir Ian Parkinson is the best-looking party chairman we have had for a very long time. He makes very good speeches. You have a good-looking president in Sir Ian [cheers]. He makes speeches, too."

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than her husband and in a way getting her own back.

Reverse arms

Whatever the artistic merits of *Arms and the Man*, its first night at the Lyric last evening was a lacklustre affair. I don't know how long it has been since London first nights were the extravaganza they can still be in New York, with publicity companies sending tickets to celebrities in all sectors, not just in the theatre and with ambitious parties after the show, but the openings in London seem to be getting greyer and greyer. Last night we barely needed the fingers of one hand to count the "faces" who were present (Tom Conti, Susan Hampshire, Maureen Lipman, Rodney Bewes and a thumb still to go).

Dream after Dream

When the Glyndebourne Touring Opera, appearing in Nottingham this week with Sir Peter Hall's production of *A Midsummer's Night's Dream*, found that the Playhouse there was also performing the same play, they put it down to mere coincidence. Mr. Hall's company found that in Southampton, where they appear next week, the Nuffield Theatre is also staging the *Dream*, and they began to wonder. Now they have learned that, in Manchester, where they go after Southampton, the Northern Ballet Theatre has just appeared with a production of the play.

Peter Watson



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

LARKING ON BEACHY HEAD

British industry, the late Sir John Methven once remarked, is in the "last chance saloon". Nowhere is this truth more vividly apparent than in British Leyland. In the four years since Sir Michael Edwards moved in, guns blazing, more than 68,000 jobs have been shed, more than a billion pounds of state aid has been spent, and half a dozen plants have been closed. The outlook is brighter, not least because of the success of the Metro. But it is not until the launch of the LC10 range of cars in 1983 that the company will find out whether it has a defensible place in the market at its present size. And it will not be until 1984 or later that it can be expected to move back into the black.

It is not clumsiness or foolhardiness therefore that lies behind Sir Michael's decision to bring the annual negotiating process at BL cars to a head with a warning that he will liquidate if there is a strike. It is a necessity, bracing in its resolution as so many of his actions have been. The practice of the previous two decades, accepted by managements and unions, was that there could be months of agonizing brinkmanship during the annual wage round. In today's sales there is no sense larking about on Beachy Head. A company such as BL, with a cost-cutting government at its back and a fiercely price-

competitive market in front, cannot survive weeks of uncertainty and disruption.

Nor is BL's "positively last offer" of 3.8 per cent quite as harsh as it might at first appear. At the heart of the company's present strategy is the offer of performance bonuses. Last year these bonuses did indeed seem small, a few pounds a week for Longbridge workers. This year, however, the rapid rise in sales of both the Metro and, more unexpectedly, the Jaguar have meant bonuses of up to £20 a week at the Longbridge and Jaguar works. BL's offer, to raise the maximum bonuses payable from £22.50 to £30 a week, rightly emphasizes that there is more to be earned out of the success of the product on which the employee is working.

There are, admittedly, elements of inequity. BL workers have seen their ranks slimmed and their wage rises kept to single figures for three years while those in the public sector, and some in private industry, have leapt ahead with double figures. It is even harder for those, as in Cowley, for whom bonus offers must seem merely the promise of jam tomorrow since they are still awaiting the introduction of new model ranges outside their control to gain any of the benefits of success. But wages cannot be about simple fair-

ness alone. Survival comes first and if there is one searing truth in the Government's rhetoric it is that we are paying the price for years of unearned rises: the devastating comparison by *The New York Times* of Ford productivity at identical plants in Germany and Britain is all the more depressing because it shows no improvement on a similar exercise carried out by *The Sunday Times* and the "think tank" four years ago.

British Leyland at least has something to be proud of. Productivity on the Metro lines is now approaching Continental standards if still far short of Japanese. Its slimming operation, at least in the car division, seems nearly at an end. And its workers can justly be proud of their own part in helping to salvage the errors of the past which were management's as much as the men's in the neglect of investment and new models. Sir Michael recognizes this. His leadership is tough but fair and constructive. It is quite wrong, as the baying boos of the Tory backwoods tend to do, to blame unions for all the problems and to welcome redundancies as a form of punishment. Exultation in conflict hardly encourages the acts of leadership from the trade unions and the cool reflection on reality so necessary at BL and at many other eroded bastions of British industry.

TOWARDS A COMMON FOREIGN POLICY

The European Community is heading for a rough patch. Negotiations are now under way on the crucial issues of reforming the Community budget, reducing the cost of the common agricultural policy, and building up policies in other areas. Even with good will between governments these tasks will be difficult. They will not be made any easier by growing public impatience with the Community's obvious shortcomings, such as the expense and waste of the agricultural policy, the squabbling over points of detail, and the readiness of governments to break rules when particular interest groups are affected. Britain's cumulative disaffection is reflected in the Labour Party's misguided decision to pull out if given the opportunity. Even in West Germany enthusiasm has diminished as the country contemplates its own economic difficulties and its huge contribution to the Community budget.

In this situation member governments have reacted in different ways. Bonn has announced that it believes in a new statement of aims for Europe, including the coordination of foreign policy and, possibly, of defence, which would lift the eyes of Europeans above the day-to-day difficulties. Paris has just published proposals for giving a new impetus, many of which, focusing on the reduction of unemployment and the development of industry, are close to the Socialist

government's own plans for France. London is understandably preoccupied with getting a solution to the problem of Britain's budget contributions; beyond that, characteristically, its emphasis is on practical measures to meet stated Community aims.

The Community can take something from all these approaches: the idealism of the Germans, the pragmatism of the British, and the fact that the French proposals, though self-interested, contain ideas that could be useful for the Community as a whole. There can be little doubt that the first priority must be to deal with the budget issue. It is a matter of concern to both Britain and West Germany, and the Community has undertaken to find a solution by the end of this year. But the French proposals must also be examined to see what hope they offer for Europe's economic difficulties. And the German initiative reflects a commitment to Europe's longer term aspirations.

The same is true of this week's agreement on foreign policy. The Foreign Ministers of the European Community, in setting out the way in which they will aim to coordinate their foreign policies, are taking up ideas originally proposed by Lord Carrington. There is to be a small team of officials in the capital of the country occupying the chair — currently Britain — in order to provide continuity; and there is provision for calling

an emergency meeting within forty-eight hours in a crisis, so as to avoid the sort of delay which occurred after the Soviet invasion of Afghanistan. The Ten have undertaken to consult each other before any of them launches a national initiative on an issue of importance to them all; and they have agreed to include security questions, or at least their political aspects, in their procedures.

None of these steps represents a startling departure on its own, but together they mark considerable progress, even by comparison with a few years ago. The Treaty of Rome makes no provision for harmonizing foreign policy, though its authors envisaged that members of the Community would eventually move to a political union. Coordination has meant gradually accustoming a number of sovereign European countries, all of them used to conducting their foreign policies quite independently, to the idea that they would be more effective if they worked together. Today the Ten still do not carry the weight internationally that their combined economic strength, and their pasts, would seem to justify. However, at the United Nations and elsewhere they frequently speak with one voice, and in the Middle East they are trying to exercise some influence. This week's agreement suggests that further progress is possible, even without agreement in other areas.

MR TEBBIT'S RABBIT IN THE HAT

Mr Norman Tebbit's main aim at the Conservative Party Conference yesterday seemed to be to persuade his listeners that he was a fully reformed character. Much of his speech was taken up with evidence of soft-heartedness and elaborate compliments to almost everybody in sight. Only the Tory Party's last leader, and the trade union movement, were treated with anything like asstringency, and Mr Tebbit stressed his eagerness to hold out the hand of friendship to the latter, at least.

This might have seemed the wrong note for him to strike just after being promoted supposedly on the strength of his ruthless and abrasive qualities. But it followed surprisingly naturally from the debate, and earned him a ready standing ovation. Questions of loyalty apart, the conference is deeply and genuinely concerned about economic policy and unemployment. In many years, the debate on industry resounds with condemnations of trade union power and demands for stern curbs upon it. This year attention to all that was almost perfunctory. In concentrating on the Government's efforts to develop industrial training and employment opportunities, Mr Tebbit judged his audience well.

He had little to say about the new curbs on trade union power to which the Government is now committed. Even for a man appointed only a month ago, the hints he dropped were decidedly vague — vaguer, indeed, than some of the briefings coming from his department in his earliest

days. Something about internal union democracy, it seemed, and something about the effects of strikes on essential public services on the old and the disabled — perhaps something protecting individuals against the oppressions of the closed shop, too. But instead of aggressive talk of friendly discussions with the unions to see what reforms they want, Mr Tebbit evidently means to pace his performance carefully.

There is no harm in that. Legislation in this field is only likely to stick if it is clearly devoted to remedying manifest abuses, and not in any vindictive or partisan spirit. There is much in the workings of trade unions in Britain which cries out for firmer legal control, and many in the movement itself know that that is so. But there is no point in a battle for its own sake, or for reforms which, like some of those in the 1971 Act, satisfy blood-just but bring no practical benefits. The Government is also constrained by the need not to spoil such chances as it has of cooperation from the unions at the outset of a crucially important wage round.

The advantages, none the less, of further measured legislation on industrial relations are too great to let pass. Reform should be presented to the unions in the form of a package. It had better not be called a "social contract", and still less should it resemble the inflationary bargain that the Government tried to tempt the unions with unsuccessfully in 1972. But since it is true that restrictive

practices and inflexible union customs have helped to bring industry to the plight that has caused the Government to impose its present financial rigours, a law facilitating the relaxation of such practices would also justify a measure of financial relief.

Some desirable changes might in themselves have little direct effect on industrial efficiency. But by safeguarding individuals against union oppression and improving participation within unions and within plants they might eventually ameliorate the atmosphere of labour relations. These include, at least, machinery to enable bodies of workers to vote to end closed shops, and fuller compensation for those denied jobs. There should be more effective restraints on political strikes; an extension of Mr Prior's partial ban on secondary picketing; and contractual clauses excluding non-union labour — a means by which the closed shop is propagated — should be made null. Of far greater significance if widely used by employers, would be a withdrawal of immunities from industrial action taken in breach of procedural agreements, for the majority of strikes are unconstitutional, and entrenchment of the legal power to lay off workers when revenue is withheld by one group. Some of these measures are more easily attainable than others but even a selection of them could do much to free industry from the restrictions and injustices which so greatly hamper its competitiveness today — and which damage the interests of all the workers.

Exchange controls in practice

From Mr W. J. Hopper, MEP for Greater Manchester, West (Conservative)

Sir, The speech made by Mr Edward Heath in Manchester on Tuesday, October 6, was widely reported but there has been little comment on the very precise proposal which he has put forward for insulating western Europe from the effect of high US interest rates. He proposes to do this by creating a "ringence" of draconian exchange controls around the whole European Community.

Article 113 of the Treaty of Rome shows that Mr Heath's proposal is quite impracticable. Indeed it is little more than beguiling nonsense.

In the first place the other nine member states would never consent to the imposition of British style exchange control; the member states cannot even agree to move forward to the second stage of the European Monetary System. It would require an almost total failure of government to impose such a system on the whole of the EEC.

Secondly, the gaps which existed in the former British exchange control would be as nothing to the gaps that would exist in the vast and cumbersome system which would have to be introduced.

Thirdly, even if an effective EEC-wide exchange control system could be introduced it could not achieve the purpose. The hot money movements are in large part the result of "leads and lags" in international trade which no exchange control has been able to cope with; in part the result of movements of Opec money which are by their very nature outside exchange control.

Any attempt to introduce EEC-wide exchange control would have a serious impact not only on capital movements but also on international trade since capital movements are the means by which trade deficits are financed. Mr Heath has in fact put forward so to avoid the sort of delay which occurred after the Soviet invasion of Afghanistan. The Ten have undertaken to consult each other before any of them launches a national initiative on an issue of importance to them all; and they have agreed to include security questions, or at least their political aspects, in their procedures.

None of these steps represents a startling departure on its own, but together they mark considerable progress, even by comparison with a few years ago. The Treaty of Rome makes no provision for harmonizing foreign policy, though its authors envisaged that members of the Community would eventually move to a political union. Coordination has meant gradually accustoming a number of sovereign European countries, all of them used to conducting their foreign policies quite independently, to the idea that they would be more effective if they worked together. Today the Ten still do not carry the weight internationally that their combined economic strength, and their pasts, would seem to justify. However, at the United Nations and elsewhere they frequently speak with one voice, and in the Middle East they are trying to exercise some influence. This week's agreement suggests that further progress is possible, even without agreement in other areas.

Olympics in S Korea

From Miss Frances Crook

Sir, Serious human rights violations continue in South Korea, despite the recent publicity over the amnesties.

Although Amnesty International can take no stand on the decision to hold the 1988 Olympic Games in South Korea, I feel it necessary to point out that torture of prisoners, still goes on; students, trades unionists and Christians are still being arrested for the peaceful expression of their views; and Amnesty International has many adopted prisoners of conscience there.

Torture and ill-treatment are still used in the interrogation of detainees, though it is specifically prohibited in the 1980 constitution. Amnesty has received reliable reports that one journalist had his heels cut and electrodes inserted into the wounds.

The failure over the last site chosen for the Olympic Games should have taught the committee that there is world-wide concern for human rights. These rights are abused in South Korea, and Amnesty International campaign to publicize violations earlier this year.

Yours faithfully,
FRANCES CROOK,
Amnesty International,
British Section,
Tower House,
8-14 Southampton Street, WC2.

Level of air fares

From Mr A. J. Lucking

Sir, Mr Robert McCrindle (October 10) accepts that the British business traveller is subsidizing the cheap tourist fares, but fails to mention the damage that is being caused. Recent "business monitors" show that tens of thousands of our businessmen have switched to time-wasting surface travel. Others are staying at home, instead of travelling and selling, as the nation needs. It is the above cost standard fares that must be reduced, whereas the "cheepies" may be too low.

In the absence of proper price competition, airlines have become overstaffed, with over-generous salaries and pension schemes, as recent events at British Airways, Pan Am, and Sabena have demonstrated. Even the more efficient American companies, with whom we used to make comparisons, have discovered for example that two pilots can fly a Boeing 737 instead of three, and can work longer hours, when faced by competitors returning crew costs 60 per cent lower. There is nothing dubious about the benefits accruing to the mass which is painful for passengers as well as airlines. But to run away from the problem as Mr McCrindle suggests would be indefensible.

Yours faithfully,
A. J. LUCKING,
20 Broad Court,
Bow Street, WC2,
October 10.

LETTERS TO THE EDITOR

Understanding unemployment

From Mr Andrew R. Cooper

Sir, It is absurd for any political party or any trade union to imagine that unemployment as we know it will ever be reduced. All mass media chest slogans, strike attitudes and make electioneering promises which cannot be met in the light of technical innovations which are increasing at an increasing rate.

One example, from Japan, which is typical, is sufficient to indicate the trend, which is based on the micro-chip revolution. In this Japanese factory one hundred men are currently producing one hundred robots per month and their output is increasing. In the factory the machines are programmed to work 24 hours each day, but the men only work eight hours.

The world's needs each year can be met by a smaller use of men and a greater use of technology. The number of people redundant, available, surplus to requirements, is continuing to increase because it is the nature of things that it must be so. Glib promises of full employment from any source are cruelly misleading and basically dishonest. The problem before the government, the employers and the unions is how best to assist some three or four million unemployed people to lead satisfying lives. The two great obstacles are boredom and a feeling of rejection. These two factors produce riots and undermine the health of the people concerned.

One idea which has never been tried is to treat the whole problem as an opportunity for compulsory education. The compulsion would be that no man would receive unemployment pay unless he could produce an approved certificate stating that he had been given or received tuition from some approved source. The subjects could include crafts, sports, medicine, the arts and so on, the teachers could be drawn from the unemployed and the premises could be empty cinemas, factories and the like. This would be a recognised almost self-governing section of the community with its own standards of development. Intellectually it might become superior to large sections of the working population but above all it would not be seen as a group which had been weighed and found wanting.

Part of the price to be paid by the individual might be a change in his normal life-style, but this could be a good thing. It has succeeded in exterminating the two great evils, boredom and social rejection.

ANDREW R. COOPER,
Exeter House,
Putney Heath, SW15,
October 13.

From Mr Stephan Schattmann

Sir, Why is it that so many of our leaders appear to insist, to the detriment of all of us, that if their views are contradicted by reality it must be the latter that is in need of correction? And the television screen, rather than proper research, seems to have become a major source of their knowledge. I encountered a glaring example of this trend last Friday (October 9) in an interview with the Chairman of the Conservative Party in the Radio 4 programme *The World at One*. He told us that

The nuclear balance

From Mr P. H. Vigor

Sir, Dr. T. D. Martin's argument in his letter (October 8) becomes a little woolly towards the end. If the Russians do "sweep through Poland and Northern Europe and occupy the Channel ports", the correct action for us is surely not to "fire an atomic bomb at them", in the knowledge that most of the country could be rapidly incinerated in reply, but rather, to withhold the fire of our strategic nuclear weapons, and leave it to the Russians to decide what to do next.

Since at present they are unable to mount a Soviet version of "Sealion", they must either sit tight on their side of the Channel and leave it to Britain to perform once more that role for which she is usually fitted, or they must be stepping-stone into Europe for the forces of the United States; or else they must fire their "atomic" bombs at us, in which case a lot of their country will be rapidly incinerated in reply.

The fact of the matter is that, even if the Russians do succeed in getting to the channel, they cannot therefore be certain that they have won the war, as distinct from the campaign, provided that Britain retains a viable nuclear deterrent. I have always thought that the Soviet leaders must be well aware of this, and that it

Sports injuries

From Mr J. O. Jenkins

Sir, The article by Nicholas Keith (October 3) rightly draws attention to the need for the prompt attention of sports injuries. It does, however, focus attention on their treatment by manipulation. In clinical practice, it is more likely that fractures, muscle and ligamentous tears will be treated by such methods as ice, massage and ultrasounds followed by progressive exercise and advice.

This is not to decry the value of joint manipulation. This is certainly helpful in selected cases, particularly those athletes who sustain spinal injuries. Nor, indeed, does this detract from the manipulative skill of the registered osteopath. This upsurge of interest in manipulation was recognised by chartered physiotherapists more than a decade ago, when its Manipulation Association was set up. It is interesting to note that many physiotherapy schools train their students in mobilising and manipulative skills, and more than 900 of them qualify each year.

The reference in the article to

if the number of foreign workers that had been removed from the German employment register were to be added to the unemployment figures, the German unemployment situation would approach that of this country.

What are the facts? Germany's foreign labour force reached its peak in the fourth quarter of 1973 with 2.49m and its low with 1.85m in the first quarter of 1978, a drop of 25.7 per cent over more than four years. Almost two-thirds of this was accounted for by the 1974-75 recession. Since then the total of foreign workers in Germany has actually risen to 2.03m in August 1980 (the latest quarter for which these statistics are available), an increase of 9.7 per cent. It is feasible that in line with the overall rise of unemployment this figure could well have declined since somewhat, but there is no evidence of a major trend change, let alone any concerted effort by the German Government to ship foreign workers back to their countries of origin.

I do not suggest that Mr Parkinson set out deliberately to mislead his listeners. What seems to have happened is that he accepted as hard fact a statement made by Mr Stuart Holland MP in a debate on the British economy broadcast on BBC 2 in 1979, I seem to recall, 1977. He is in fact in good company. The Chairman of the CBI Economic Committee used the same argument in a radio programme about two years ago.

In the television debate in question Mr Holland said that the Germans were better at handling their unemployment problem because at times of recession they simply sent their foreign workers home. He got the country wrong. It was Switzerland which in 1975 repatriated almost 50 per cent of seasonal foreign workers (but not those with proper resident status who formed the majority).

Politicians should exercise greater care not to confuse fact and fiction. The survival of Parliamentary democracy depends on the existence of an informed not a bamboozled electorate.

Yours faithfully,
STEPHAN SCHATTMANN,
65 Wigmore Street, W1.

From Mr Michael Ivens

Sir, I find it curious that the discussion of Mr Roy Jenkins's suggestion for taxing wage increases has not referred to the experience of post-war Hungary where they tried a similar method. Inevitably it was inflationary.

Two things occur. First the company has to recover the money in terms of price increases. Secondly, the Government is given a lot of additional money to spend which it probably should not have.

Aims of industry made this proposal back in the Sixties and then we realised we had got it wrong. The only remedy would be to return the amount taken in tax to the company. But that would lead to a growth of bureaucracy and more civil servants. Yours faithfully,
MICHAEL IVENS, Director,
Aims of Industry,
14 Doughty Street, WC1,
October 14.

Auction premiums

From the Chairman of the Society of London Art Dealers and the President of the British Antique Dealers' Association

Sir, The reference to the buyer's premium by the Financial Editor in connection with Christie's half year results (*The Times*, October 8) is misleading. It is not the case that the dealer has abandoned their opposition to the premium. The plaintiffs agreed to discontinue their action on the basis that Christie's and Sotheby's, for their part, would "consider independently the reduction in the rate of the buyer's premium". It is very important that this should be understood.

Yours faithfully,
JOHN BASKETT,
CHARLES B. LEE,
173 New Bond Street, W1.

medical referral and direction of treatment applied until 1964. In that year, the Physiotherapists Board recognised the need for physiotherapists to be able to accept patients in an emergency or for any other special reason. As I was in the chair at that time, it is interesting to recall that it was the need to give prompt treatment to sportsmen, which particularly brought about the change. Consequently, there need be no delay in obtaining treatment from the sports clinics which have been set up in our hospitals in many parts of the country, nor from the 1,000 or more chartered physiotherapists in private practice who appreciate the need for immediate treatment. This does not mean, however, that chartered physiotherapists are egoistic, rather that they appreciate the need for specialist consultant advice in the more complicated injuries.

Yours faithfully,
J. O. JENKINS,
President, Organisation of Chartered Physiotherapists in Private Practice,
8 Ravensdale Avenue,
North Finchley, N12.

medical referral and direction of treatment applied until 1964. In that year, the Physiotherapists Board recognised the need for physiotherapists to be able to accept patients in an emergency or for any other special reason. As I was in the chair at that time, it is interesting to recall that it was the need to give prompt treatment to sportsmen, which particularly brought about the change. Consequently, there need be no delay in obtaining treatment from the sports clinics which have been set up in our hospitals in many parts of the country, nor from the 1,000 or more chartered physiotherapists in private practice who appreciate the need for immediate treatment. This does not mean, however, that chartered physiotherapists are egoistic, rather that they appreciate the need for specialist consultant advice in the more complicated injuries.

Yours faithfully,
J. O. JENKINS,
President, Organisation of Chartered Physiotherapists in Private Practice,
8 Ravensdale Avenue,
North Finchley, N12.

Continued concern on Beverley plans

From Sir Brunmor Jones and Mr George Odey

Sir, Lord Harlech's letter (September 24) complaining of the action of the Deudraeth Rural District Council is very similar to the case which has arisen with the Beverley Borough Council regarding the maintenance of an open space to the south of the Minster where the Beverley Borough Council, as the planning authority, are proposing to permit housing development which would gravely interfere with the clear view of this magnificent church from the south and south east.

The comparison with Lord Harlech's case arises from the fact that in 1974 the Beverley Borough Council gave an explicit undertaking to the Charity Commissioners that if they were allowed to purchase this open space to the south of the Minster for £4,000 they would maintain this land as an open space and, further, that they would not at any time allow the land to be used for any form of housing development.

Within 12 months they had completely broken this agreement and the land which they bought with the approval of the Charity Commissioners for £4,000 they proceeded to sell to the St Andrew Street Housing Cooperative (which is a housing society sponsored by the Government) for a sum not less than £32,500. It is not surprising that in a report that the local Ombudsman has recently issued on the conduct of the Beverley Borough Council in this affair, the council come in for some adverse criticism. What is more distressing is that in spite of the fact that the objections to the plan are endorsed by every society in the country concerned with the maintenance of ancient buildings, and the protests of the Archbishop of York, Lord Cogan (a previous Archbishop of York), the Bishop of Hull and the Bishop of Bradford, the council have announced that they intend to completely disregard the report of the local Ombudsman and take no action whatever. Still more fortunately, they claim that the Ombudsman has no teeth and could be safely disregarded. If this were so, it is difficult to understand for what conceivable purpose the office of Ombudsman was created by Parliament for the protection of the individual against the ever growing power of bureaucracy in this country.

Surely we have a right to expect the same standard of conduct from a local authority that we would seek to establish individually for ourselves? Yours truly,
BRUNMOR JONES,
GEORGE ODEY,
Keldgate Manor,
Beverley,
North Humberside,
October 10.

Open churches

From the Reverend D. T. W. Price

Sir, I was interested to read the letter of the Rector of Barmouth (October 9) in which he wrote that the four churches in his benefice were open every day, since when I visited one of them, St Philip's, Caerleon, on August 17 this year it was locked. Perhaps I did not push the door sufficiently hard! But I gladly acknowledge that another of his churches, St Mary's Llanaber, was open on September 10, and it was great privilege to be able to pray in one of the most beautiful churches in Wales.

During the past five years I have visited about 1700 of the 1802 Anglican churches in Wales, and I hope to see the remainder in 1982. Your readers may be interested to know that they are likely to find most unlocked churches in rural Radnorshire and Pembrokeshire, and in the rural areas of Monmouthshire. They will find great difficulty in obtaining access to churches in Glamorgan and Monmouthshire, in Cardigan and Carmarthenshire, and in much of North Wales especially Anglesey. Church-crawlers in England will find almost every church unlocked in the very rural diocese of Hereford. Yours faithfully,
WILLIAM PRICE,
Bodlodeb,
65 Bridge Street,
Lampeter,
Dyfed,
October 9.

Late Picassos

From Mrs Tessa Perry

Sir, Could the record success of "Picasso's Picassos" be partially attributable to the Hayward Gallery's humanitarian policy of late opening hours (8 pm Monday to Friday), thus enabling the employed to enjoy the collection at leisure too? Other galleries please note. Yours faithfully,
TESSA PERRY,
61 Briarwood Road, SW4,
October 11.

Plum in the mouth

From Mr Michael Hyam

Sir, In one of the last interviews which P. G. Wodehouse gave, he rebuked his interviewer for pronouncing Bertie Wooster's surname as though it rhymed with rooster, when it should be pronounced Worcester. Bertie, himself, has never been known to correct anybody's mispronunciation of his name; perhaps even Spode got it right. Yours faithfully,
MICHAEL HYAM,
Lindisfarne,
301 Beulah Hill,
Upper Norwood, SE19,
October 13.

BL squares up
to the
unions, page 19

Picking the
research
winners, page 19

New Heysham reactor costs jump by £160m

By Edward Townsend, Industrial Correspondent

Inflation has escalated in a year, the cost of the second advanced gas-cooled reactor (AGR) nuclear power station at Heysham, Lancashire, from £127.0m to £143.0m.

This was disclosed yesterday when formal contractual agreements for the building of the station were signed in public by the Central Electricity Generating Board and the National Nuclear Corporation.

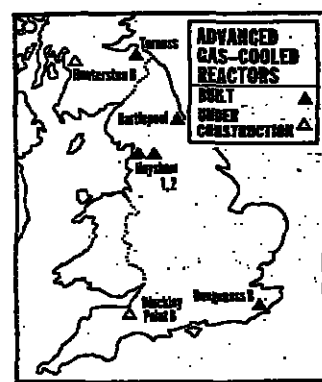
Although work on Heysham II began a year ago the signing of the agreement has been delayed until a full status report covering all aspects of the project including safety, was prepared and reviewed.

The signing took place at a joint CEB/NNC Press conference in London, an indication of the concern in both organisations over the commercial relationships in Britain's nuclear industry.

It is also against the background of continuing controversy about the merits of the American-designed pressurised water reactor (PWR) which is proposed for Sizewell in Suffolk and could be the next nuclear station to be ordered.

Mr Dennis Lomer, a CEB board member, said the Heysham agreement "ensures that the best resources from both organisations will be brought to bear on the various areas of work associated with the project."

Both boards were satisfied that the project was on course with the first reactor producing electricity for the national grid in mid-1987 and the second a year later.



£5 more on a ton of coal

Coal prices will be increased by between 5½ per cent and 8½ per cent from November 1, the National Coal Board announced yesterday.

Wholesale prices of domestic coal and coke will rise by between 5½ per cent and 6½ per cent, while the increase for steam coal will be 8½ per cent and coking coal 7½ per cent.

The average domestic consumer can expect to pay an additional £4 to £5 a ton.

The increases in retail prices charged by coal merchants will also go up similarly.

The board said that the price rises had been kept well below the rate of inflation because of the depressed state of the market.

US new car sales slump by 34.7pc

From Michael Hamlyn
New York, Oct 15

The new car season in the United States, which began on October 1, is proving to be disastrous for the big three American companies.

Their sales in the first ten days of the season were 34.7 per cent lower than the same period in 1980. Sales are lower now than any comparable period since 1958.

One of the factors cited by analysts for this fall is the success of the new tax-free "all-savers" certificates being widely advertised by the banks. These savings have siphoned off at least some of the cash that would have been spent on new cars.

The spate of rebates which ended the old car year have also made buyers compare the new, and increased, prices with what they were getting a month ago.

New incentive schemes are only just starting to develop and many buyers are waiting for prices to drop.

Chrysler Corporation has just announced a rebate programme of \$300 (£160) to \$1,000 (£500) on certain models which competes with Ford's \$400 to \$700 rebates announced last week. Pressure is now on General Motors to come up with something better than their current interest rate subsidy.

Sales of all domestic cars for October's first ten days are estimated at 145,466 units, compared with 224,102 last year.

General Motors reported sales of 86,887 cars, down 32 per cent. Its market share dropped from 61.1 per cent to 59.1 per cent. Ford had sales of 34,618, down 43 per cent. However, its market share is increasing to 33.5 per cent from 22.3 per cent earlier in the year.

Chrysler's sales were 19,932 cars, down 28.5 per cent. Its market share rose to 13.8 per cent from 11.8 per cent earlier in the year.



Tan Sri Ghazali yesterday: "Relationship must be based on equality"

Malaysia reviews UK link

By Simon Scott Plummer

The vesting of British tenders for Government contracts in Malaysia was part of that country's examination of the whole idea of a special relationship with Britain.

Tan Sri Ghazali, the Foreign Minister, said in London yesterday.

The minister, who has been attending a meeting of the EEC and the Association of South-East Asian Nations, told a Press conference that the Malaysian Government wanted to ensure there was no bias in favour of Britain. This was why Dr Mahathir Muhammad, the Prime Minister, had ordered that the sale of British goods and services to state bodies must be cleared by his office.

Tan Sri Ghazali explained that Malaysians had been trained since independence to think of a very special relationship with Britain.

"However, as time went by, the British were counting the pounds and the pence while we were remaining that special feel-

ing. There was an erosion of the special position."

The minister referred to the failure of Malaysia Airline System (MAS) to secure the landing rights in London after the break-up of Malaysian Singapore Airlines into two separate companies in 1971. "There was a great deal of disappointment over little issues," he said.

Malaysia, which has 15,470 students in Britain, had been the biggest victim of the British Government's policy to raise overseas students' fees from last year, Tan Sri Ghazali said.

Continuing his complaints against the British, the minister spoke of "the emergence of an ugly business attitude from certain parts of the business community". Certain groups had been frustrating the Government policy of building up the native Malay stake in the economy.

This was a reference to the New Economic Policy, drawn up after race riots in 1969, under which Malaysians should have a

30 per cent share of equity by 1990.

To promote this policy, Pemas, the state investment agency, had been buying foreign companies, including Guthrie Corporation (bought last month), which owns large plantations in Malaysia. Tan Sri Ghazali said, "Those over which we have taken action by buying were frustrating our economic policy."

"You call this not cricket and change the rules", he added in reference to the subsequent Stock Exchange decision to amend the regulations governing takeovers.

Dr Mahathir had seen the decision as frustration of Malaysian economic policy by the City. If this was a false impression, it was up to the British to go and put their case in Kuala Lumpur.

The special relationship (between Britain and Malaysia) must be based on equality, not on the colonial system of plantations", Tan Sri Ghazali added.

Receivers called in to BMK carpets

By Margaret Pagan

Blackwood, Morton & Sons, the troubled Scottish carpet makers, yesterday asked its bankers to call in receivers. The move is the result of the Royal Bank of Scotland's decision to withdraw financial support.

A bank spokesman said yesterday: "Every effort has been made to support the company through its difficult period."

Mr Gavin Morton, chairman of Blackwood, said the decision came after continuing losses in trading and the lack of further finance. At the board's request, the shares were suspended at 9½p, the year's low.

The group, which trades under the name of BMK, is valued at £760,000 compared with nearly £2m at one time last year.

Full year results, which were due to be published this month, have been delayed but are expected to show far worse losses than the group forecast earlier this year.

Last available figures are for the six months to December 1980 when Blackwood lost

£134m on sales which plunged 19 per cent to £8.87m but forecast reduced losses for the second half. Losses were then blamed mainly on the high level of United States carpet imports which have savaged profits throughout the British carpet industry.

In the previous year it lost £12m, announced large redundancies and plans to concentrate production at the Kilmarlock plant, one of the most modern weaving plants in the country, to cut costs. Borrowings, which then stood at £3.6m with a further £2.8m owed to creditors, are believed to have increased.

The receivers may have a statement on the group's future by next week. They are continuing discussions with interested third parties, believed to be other United Kingdom carpet companies, which have already started.

The groups, which now employ 1,500 people, mainly in Kilmarlock, will continue as a going concern and any further redundancies will depend on negotiations.

SICKNESS PAY RULES CHANGED

Employers are to be allowed to recoup payments made for sickness from their National Insurance contributions over the first eight weeks of an employee's illness. Mr Norman Fowler, Social Services Secretary, said in Blackpool.

The move will save about 3,000 Civil Service jobs involved in processing sickness benefits, he said during a conference question and answer session.

It will also reduce the administrative burden on employers who have had to process payments initially with social security staff.

Under the new scheme, 90 per cent of sickness payments would become fully taxable. This would close the loophole which allowed employees to avoid paying tax on the state-paid contribution to their sickness pay.

The Government has decided to accept the case for 100 per cent self deduction, Mr Fowler said. Employers will be able to deduct every sickness payment they have to make from their National Insurance contributions.

"We will take the earliest opportunity to introduce legislation upon this."

Oil refinery strike called

By Donald Macintyre

More than 10,000 production workers in oil refineries throughout Britain have been called out on a one-day strike on November 6 in the first indication of shopfloor resistance to job losses and plant closures in the industry.

Union leaders claimed yesterday that the strike could do 10 days because of the technical requirements of running a plant down.

About 150 shop stewards representing 12,000 manual and white collar workers called the strike in protest at BP's decision to shut down its Isle of

Grain refinery and Burnham Oil's plan to shut Ellesmere Port plant with a total loss of 2,800 jobs.

An end to the damaging three-week-old dispute at British Shipbuilders was in sight last night after union leaders agreed to call off industrial action to allow fresh peace talks to go ahead next week. Both sides agreed to attend talks convened by the Advisory Conciliation and Arbitration Service under interim terms under which the unions end sanctions in protest at the closure of the Robb Caledon yard in Dundee and the dismissal of its 140 workers.

Just how flows across the exchanges will affect the October money supplies is an open question judging by the gyrations of sterling over the period.

In September, the total external finance item amounted to £700m, pointing to a fairly heavy outward flow of private sector money.

United Kingdom residents' deposits of foreign currency in United Kingdom banks rose by £236m.

The increase in domestic bank lending was probably rather more towards the corporate than the personal sector last month.

Murray Glendevon Investment Trust Limited

33% growth in net assets

Results for the year ended 31 July, 1981

	1981	1980
Equity shareholders' interest	£20,385,042	£15,313,642
Asset value per share	186.4p	147.6p
Revenue available for ordinary shareholders	£330,666	£309,414
Earnings per ordinary share	3.00p	3.09p
Ordinary dividend per share	2.70p	2.55p
Capitalisation issue in B ordinary shares	1.37559%	1.79555%

Geographical distribution of investments at 31 July

	1981	1980		1981	1980
UK	44.7%	35.7%	Europe	1.4%	2.5%
North America	26.6%	23.7%	Brazil	0.6%	0.6%
Far East	8.9%	7.5%	South Africa	—	0.8%
Japan	7.9%	7.4%			

	1981	1980
Bonds UK	90.1%	78.2%
Other	9.9%	21.1%
	100.0%	100.0%

Portfolio performance

A comparison of the performance of the Company's equity portfolio over the year, in sterling terms, in the UK, North America, Japan/Far East and Europe with the movements in the relevant indices show a satisfactory performance.

	Performance of index %	Performance of equity portfolio %
UK—FT Actuaries All Share	+ 13.2	+ 22.7
North America—S and P Composite	+ 35.7	+ 43.0
Japan/Far East—Tokyo New	+ 51.5	+ 49.9
Europe—6 Country Index	— 9.1	— 4.2

Copies of the report may be obtained from the Secretary, Murray Glendevon Investment Trust Limited, 163 Hope Street, Glasgow G2 2UH.

An Investment Trust managed by Murray Johnstone Limited.



Stock Markets

FT Index 473.2 up 0.8
FT Gilts 61.55 down 0.12
All Share Index 285.17
down 0.42
Bargains 14,971

Sterling

\$ 1.8500 down 30 pts
Index 88.3 up 0.1
New York: \$1.8350

Dollar

Index 107.4 down 0.1
DM 2.2207 up 12 pts

Gold

\$444.50 unchanged
New York: \$442.90

Money

3 mth sterling 154-156
3 mth Euro \$ 16½-15½
6 mth Euro \$ 16½-16½

PRICE CHANGES

Rises

Berkley Exp	8p to 29½p
Gl Portland	6p to 18½p
Grindlays	3p to 21½p
Hammerston 'A'	15p to 39½p
Hill & Smith	7p to 47p
Lamo	15p to 37½p
NEPC	8p to 20½p
Martin RP	88p to 27½p
Racal Elect	10p to 40½p
Rosengauz	10p to 25½p
Ultramar	15p to 46½p
Vibroplant	10p to 15½p

Falls

Amber Day	2p to 16p
Adnic Resources	20p to 25½p
De La Rue	15p to 63½p
Duple Int	3p to 28p
Greatham Hse	15p to 27½p
Harrison Cras	15p to 78½p
Husky Oil	43p to 51½p
Kinross	2p to 75½p
Mitroco	35p to 43p
Peko Wallace	15p to 38½p
Standard Chart	12p to 39½p
UC Invest	12p to 63½p

Nissan talks

Nissan, Japan's second largest car maker, is to send another team of executives to Britain next month for more talks with component manufacturers over supplies for its proposed car plant in the United Kingdom (Edward Townsend writes).

Component prices and quality have been a dominant theme in Nissan's final decision.

Mr Takashi Ishihara, Nissan's president, said in Tokyo yesterday that it would be impossible for the company to start United Kingdom production unless the price of a car made by Nissan in a British plant was at least level with the United Kingdom price of a finished Nissan car now imported from Japan.

Bank merger completed

Midland Bank has completed its merger with Crockford National in a £322m deal giving Midland 51 per cent of the Californian bank. The alliance puts the merged group among the top 10 banks in the world with assets of about \$80,000m.

Midland has reduced its house mortgage rate from 16 per cent to 15 per cent in an attempt to stay competitive with other banks. The cut, backdated to October 1, gives a true annual rate of 15.8 per cent.

Steel production in Britain averaged 298,500 tonnes a week during September, an increase of 26.3 per cent on the August figure.

Output in the first nine months of 1981 averaged 288,700 tonnes a week compared with 413,200 tonnes in the same period in 1979.

BUSINESS BRIEFING



Arco \$100m expansion

Arco Chemical, a division of Atlantic Richfield, is to spend \$100m (£54m) on expanding its plant at Botlek, Rotterdam (pictured above) as part of its new growing component for Europe. The plant produces a gasoline component that maintains octane levels while reducing lead content, known as gasoline grade tertiary butyl alcohol (GTBA). Mr Harold Sargent, president of Arco Chemical, said that he saw the project, which will double the plant's output of GTBA, as a "major thrust" in the company's European strategy. Arco's expansion plans contrast with other leading chemical companies' recent cutbacks because of large scale refining overcapacity.

Berec profits

Berec, the Ever Ready battery company which is fiercely resisting a £70m cash bid from Hanson Trust, yesterday disclosed a drop in half-year profits from £5.25m pre-tax to £2.2m. However, Berec is forecasting a full-year recovery from £10.5m to about £14m.

CEC Telecommunications is to close its Middlesbrough and Treforest telephone exchange equipment factories with the loss of nearly 1,000 jobs. It is also reducing its telephone installation workforce by 250.

£25m Warren battle over

The £25m bid battle for Warren Plantations ended last night when Warren and McLeod-Russell agreed fresh terms. McLeod, which already held a 51.3 per cent stake in Warren, lifted its cash advance from £25p a share to 26½p which is the value of the cash and preference shares originally offered. McLeod also gave certain undertakings about employment and the continuity of the business which Warren was seeking.

Airlink for Ireland

A scheduled air service between Dublin and Belfast is to open on October 26. It will be the first time the two Irish capitals have been so linked for many years.

Avair, the Irish commuter airline, yesterday took delivery of a Belfast-built 30-seat Shorty 330 which it will operate on the 30-minute service.

Mr Gerard Connolly, Avair's founder and managing director, said that the new service, which will run three times a day in each direction, was being run with the encouragement and assistance of Aer Lingus, the Irish national airline. Most of its users are expected to be northerners making connections with a wide variety of European and North American flights out of Dublin.

Natural gas may soon be piped to Ulster from the Republic of Ireland as part of efforts to establish firmer economic links across the border. As the first stage a £45m pipeline is to be built from the Kinsale field off the co Cork coast to carry gas to Dublin.

London silver prices rise

Silver prices rose in London yesterday after the United States General Services Administration disclosed that it had received 98 bids from 25 dealers and speculators for the 1.25m ounces of silver it put up for sale on Wednesday. The bids totalled 3.86m ounces.

London Metal Exchange silver for three delivery closed at 531.75p an ounce, up 5.25p on the day. The Sydney Futures Exchange yesterday launched a silver futures contract.

Japanese help British Steel boost output

From Peter Hill, Toronto, Oct 15

British Steel is to intensify its efforts to boost productivity and performance at its major plants over the next few months by implementing Japanese production techniques more widely.

Nippon Steel Corporation was called in by the BSC some months ago to provide advice and expertise under a technical assistance agreement. The main areas for investigation have been the corporation's large facilities on Teesside and at Ravenscroft, Lancashire, whose performance has fallen below that of the large South Wales plants of Port Talbot and Llanwern.

At Redcar on Teesside technical problems with coke ovens have prevented the large blast furnace achieving its production potential.

Experts from America's Inland Steel, which overcame similar problems at one of its plants, have recently completed an investigation at Redcar and it is hoped that performance will now improve.

Production costs of steel made at Teesside and Ravenscroft are running at £12 to £14 a tonne more than at Port Talbot. Over the next few months the corporation aims to reduce the production differential between those plants and Port Talbot, to ideally less than £4 a tonne.

The hope is that the improvements which flow from the technical assistance being provided by the Japanese can also be utilized in promoting further improvements at the South Wales plants, especially in improv-

ing the quality of steel produced and the yield from the Welsh facilities.

BSC is also maintaining a strong drive to cut down on the amount of time taken in maintenance work throughout its operations.

Speaking here, where he has been attending the annual conference of the International Iron and Steel Institute, Mr Ian MacGregor, the BSC chairman said: "There is plenty of room in every plant and we also have to look at the yields and quality we are getting because we are bottom of the league in that area."

America's Jones and Laughlin Steel Corporation, which is also providing assistance to BSC, is regarded by Mr MacGregor as a model for the type of improvements which can be achieved by a sustained attack on reducing overhead costs and improving performance at all levels.

It has cut its labour force by 20,000 over the past three years and now employs a total labour force of 35,000 with a capacity of 12.5 million tonnes which is almost the same capacity as that currently maintained by the BSC.

Japan's crude steel production fell 1.4 per cent in September to 8.40 million tonnes from 8.52 million in August, and down 6 per cent from 8.94 million a year earlier, the Japan Iron and Steel Federation said.

This is the lowest level since April, reflecting slow domestic and export demand.

Upturn in W German trade forecast

From Peter Norman, Frankfurt, Oct 15

Herr Karl-Otto Pöhl, president of the West German Federal Bank, is expecting considerable improvement in the country's current account balance of payments despite the recent revaluation of the mark in the European Monetary System.

In an interview, he said a marked improvement in the balance of payments would become visible in the final quarter of this year and that next year Germany could expect a current account deficit well below that of 1981. The deficit for the last four

months of this year could be as little as DM 1,000m (about £244m).

The bank expects the overall current account deficit for 1981 will amount to about DM 25,000m after having totalled some DM 24,000m in the eight months to the end of August. The deficit could drop to between DM 4,000m and DM 10,000m next year.

Herr Pöhl said the EMS realignment, in which the mark was revalued by 8.5 per cent against the French franc, should not upset this recovery.

Change is painful, Chancellor says

Excerpts from last night's Mansion House Speeches



Last night's Mansion House



speakers: Sir Geoffrey, Mr Goodison and Mr Richardson



As the year went on the pressures on the exchange rate tended to increase, in response in the first place to the weakening of oil prices. Developments in the United States, at the same time, widened the differential in interest rates against us.

I know that some may argue that the rise in interest rates was too large; but what was the alternative? The answer must be that we would have risked provoking a quite unacceptable degree of depreciation — unacceptable because it would have had major effects on the level of our domestic costs.

In the light of this account, it is clear that our resolve to pursue the path of financial discipline has manifestly not weakened. A monetary target for all its difficulties of interpretation, here and elsewhere, provides a necessary discipline.

This year, we have had the prolonged statistical fog created by the Civil Service dispute; we have had to consider the growth of bank lending at a time when demand in the markets to which the credit has gone has been weak; and we have had the decline in the exchange rate.

Paying the price of 30 years' complacency

Mr Nicholas Goodison, chairman of the Stock Exchange said:

The Chancellor bravely reduced direct taxes, increased taxes on expenditure, and removed several commercially damaging controls, including price, dividend and exchange controls.

Since Sir Geoffrey's early days we have receded not only economically and financially but also, it seems, in self-confidence. We are paying the price of 30 years of complacency.

We did not need a genius to calculate that at a certain point the neglect of the past would hit us in the way it has, or that the final price that has to be paid would be high.

tain a steady, though not excessive, downward pressure on these monetary variables over a period of years, making due allowance for events in the world beyond our shores. That is what we intend to do.

I think we can justifiably claim to have achieved this sort of measure over the past two years. One piece of evidence is that nominal gdp — a useful measure of total income and expenditure — has been growing at a rate of 10 per cent over the past year.

This is close to the rate that we expected at the time when the Medium Term Financial Strategy was introduced.

For obvious reasons the theory is alluring, yet when ever this approach has been tried in practice those in my position have had to recognise that it does not work. There is a hole in the bucket. And it is scarcely surprising that there should be leaks.

Why should people go on

filling up the Chancellor's bucket, particularly if they fear that he will keep turning up with a bigger one?

Even if the process did succeed for a time, it would only be at the cost of higher interest rates.

Under this Government, controls of pay prices, dividends and foreign exchange have gone, and we do not intend to reintroduce them. And reductions in income tax — to improve incentives — have been substantial, indeed dramatic at the top end.

But there is much still to be done, perhaps most of all in the labour market. We have to enable people, by encouraging them to be sensible about pay, to bring the price of their labour down to the level at which there is enough work to go round.

Between 1977 and 1980 real living standards grew by 17 per cent — very much faster than the rise in productivity and the real income of companies (excluding those in the North Sea) fell by almost 30 per cent.

The changes which took place during these three years — and they were largely the continuation of what had been going on for some time — were positively hostile to the maintenance of employment.

If profits and investment are to recover, and the

outlook for jobs is to be improved, then we have to reverse that trend. And for that to happen there has to be some fall in living standards.

We are willing to welcome additional private investment in the public sector, if that can be undertaken under conditions of risk and profit that resemble in all important aspects investment in the private sector, and in circumstances where the disciplines of direct market pressures would offset the impact of higher borrowing.

And we are determined to ensure that wherever possible nationalized industries are — in more general sense — made more responsive to market considerations.

This means removing statutory monopolies, and in some cases transfer to the private sector through a sale of shares. The flotation of British Aerospace has already been achieved. There must be more such sales.

Monetary target a necessary discipline

Mr Gordon Richardson, Governor of the Bank of England, said:

What I then have to do tonight is to give you the reasons why our monetary policy had to be what it has been.

Monopolies investigation into LRC pricing

Prices of contraceptive sheaths in the United Kingdom are to be investigated by the Monopolies and Mergers Commission. The investigation comes seven years after a previous Commission inquiry criticized alleged excessive profits by LRC International, Britain's largest manufacturer of sheaths, mainly sold by the Durex label.

Mr Gordon Borrie, Director

General of Fair Trading, decided to ask the Commission to reinvestigate the market and report within six months. The investigation by LRC to be released from restrictive price undertakings made after the earlier investigation. In view of the new investigation Mr John Biffes, Secretary of State for Trade, has released LRC from the undertakings.

LRC, which has rather more than 90 per cent of the sheath market in the United Kingdom, last raised its prices last October by about 13 per cent. It is planning another price rise in December of probably 10 per cent, with a possible larger increase on machine sales.

In the financial year to last March the biggest contribution to LRC's group profits came from the division in which Durex sheaths are one of the best-known products, although the god results can partly be attributed to general rationalization of United Kingdom operations.

After the 1975 Monopolies Commission judgement, which said that LRC selling price in the early 1970s should have been 40 per cent lower, the company fought a tough rearguard action against the Commission's recommendation that there should be price cuts.

Eight months after the report, LRC agreed to introduce price cuts of between 2.5 and 11 per cent. The aim was to reduce profits to £525,000 in a full year compared with £1,972,733 profit figure of £2m which had been strongly criticized by the Commission.

FINANCIAL NEWS

Aberthaw slips as repairs slow production

By Our Financial Staff

Aberthaw & Bristol Channel Portland Cement's profits slipped 28 per cent to £993,000 pretax in the six months to June 30 thanks to a heavy repair programme during the first three months of 1981, which hit production. However, output recovered well afterwards, and with sales rising since May, the Cardiff group expects to see better sales and profits in the second half.

First half sales were £15.3m, against £16m a year earlier. In 1980, profits before tax jumped from £1m to £2.57m. The first-half dividend has been raised by 14.3 per cent to 5.71p gross, which helped shares to gain 5p to 28p yesterday.

Packed meals lift Steel Bros

By Philip Robinson

Producing millions of packed meals for thousands of air travellers and canteen workers, profits of Steel Brothers Holdings back on the recovery road.

In the six months to last June, profits rose almost 8 per cent to £2.8m on a turnover up from £47.8m to £49.3m and Anthony de Boer, chairman, says by December, profits should top last year's £5.6m. The group's fortunes rose sharply between 1975 and 1976 and then levelled out at £6m until last year when profits started to slip.

As a measure of confi-

dence, the group is paying an unchanged half-time dividend of 4.5p gross. On the stock market the shares eased 5p at one point before closing unchanged at 225p.

The bulk of Steel Brothers' profits are earned outside the UK, with the largest contribution coming from the Middle East, followed by Canada and the United States. Its largest profit earner is the food wholesaling and industrial catering offshoot, Spinney, in which it first took a stake in 1948 and which it bought outright in 1967.

Much of Steel's borrowings

are in foreign currency and high US rates have pushed the charge for servicing debt from £1.1m to £2.2m in the opening half.

The group has had to make a £208,000 provision for extraordinary losses arising from the closure of the rice milling subsidiary of an associate company and the group says the engineering activities in the UK have been affected by the continuing recession, but are still in profit.

As a result, the profit attributable to shareholders is barely changed at £1.4m.

Recovery at Lee Cooper

By Catherine Gunn

Shares in Lee Cooper, the jeans manufacturer, rose 8p to 138p yesterday on a 6.6 per cent rise to £4.61m pretax profit for the six months to June 30 and a 10 per cent increase in the first-half dividend to 1.66p gross. In 1980, group pretax profits fell by 40 per cent to £5.5m after a poor second half.



If European cut-throats weaken no further, against sterling, full-year profits for 1981 could again approach 1979's £9.2m pretax level.

Overseas profits in local currencies showed only a modest improvement in sterling terms, but United Kingdom operations are profitable again after losing about £1m in 1980. Stocks have been cut heavily, reducing group debt. Now Lee Cooper wants to increase market share by about 3 or 4 per cent.

Group sales were down 8.8 per cent to £40.4m, in the first half, to 138p yesterday on a 6.6 per cent rise in

Lonrho may have deals with Ludwig

By Our Financial Staff

Lonrho confirmed last night that more deals with Mr Daniel K. Ludwig, reputedly the world's richest man, could be in the pipeline. The group has been negotiating with Mr Ludwig's Universal Tankships company for some time to buy out the remaining 50 per cent of hotels group Princess Properties.

The Bermudian government has given permission for the deal to take place, but negotiations are still going on with government agencies in the Bahamas and America.

Mr Robert Dunlop, a Lonrho director, said last night that the group was negotiating with Mr Ludwig for some considerable time about the

and all sorts of other things." In October, 1979, Lonrho bought 50 per cent of Princess with hotels in the Bahamas, Bermuda, Acapulco and San Francisco for £36.4m cash and 5,000 shares which were credited to Mr Ludwig but the votes of which were retained by Lonrho's chief executive, Mr Roland "Tiny" Rowland.

Since then, it is known that the two have developed a close working relationship. Under the original agreement, Mr Rowland has the option to buy Mr Ludwig's 50 shares at either 69p or the middle market Lonrho price in the 20 days preceding Mr Rowland declaring he wants to buy.

Givenchy share bid

The French champagne producer Veuve Clicquot-Poissenot is negotiating with the French state-owned Industrial Development Institute (IDI) on acquiring a majority interest in Givenchy, a perfume company. If the negotiations succeed, Veuve Clicquot will raise its capital through a rights issue to finance the investment.

Iraqi road deal

South Korea's Hyundai Construction Co has won a \$365 million Iraqi contract to build an expressway between Turbath in South West Iraq and the Jordanian border. Hyundai officials said in Seoul yesterday that the Organization for Roads and Bridges is due to complete by September 1984.

Poor September for unit trust group

September was the worst month so far this year for the unit trust management groups, but even so, net new investment, at £21.4m, was comfortably above the monthly average of £8.96m recorded in 1980.

Reflecting the unsettled stock market conditions, sales to investors declined from £80.4m in August to £70.1m in September, and repurchases from investors rose from £36m to £48.7m. The value of the funds under management declined from £6,132m at the end of August to £5,383m at the end of September.

Michelin Tyre

Despite continuing depressed demand for tyres at home and overseas, Michelin Tyre's results for the first half show an improvement on those for the same period last year. Group sales were £267m against £247m last time, while

pretax profits rose to £12m from £8.8m.

Prospects for second half of the year, however, are not encouraging and profits are expected to be considerably lower than those of the first six months.

Marler lower

Turnover of Marler Estates was cut by two thirds to £1.1m for the year to March 25 and pretax profits fell from £266,000 to £181,000. However, the dividend is held at 2.8p gross.

No Jayplant dividend

Jayplant has decided that the present levels of both borrowings and interest rates preclude a dividend recommendation.

Turnover for the year to May 31 was £485,500, against £386,500 for the 14 months to May 31. Pre-tax profit rose

from £87,000 to £129,000 and earnings per share were up 0.52p against 0.34p.

Honeywell down

Honeywell lower earnings for the third quarter.

Net income fell to \$32.4m (about £17m) from \$46.8m a year earlier. Income before tax and equity income was \$63.2m against \$92.1m in the third quarter of 1980.

Dixons photographic

Mr Stanley Kalms, chairman of Dixons Photographic, said yesterday at the annual meeting that the trading year had started well for the group, but in view of the continuing uncertainties in the economy it was too early for a profit forecast to be made.

Business appointments

Simon Hornby to head W. H. Smith

Mr Simon Hornby is to become chairman of W. H. Smith. Mr Peter Bennett has announced his decision to retire as chairman in June 1982. Mr Hornby will remain chairman of W. H. Smith & Son (Holdings), and will retain ultimate executive responsibility for staff, property and management services. Mr Hornby will become managing director of W. H. Smith & Son on February 1, with responsibility for the retail, wholesale and other trading businesses in the company. Mr Geoffrey Chandler has been elected deputy chairman of W. H. Smith & Son (Holdings) on succession to Sir Humphrey

Frédéric. Mr Hugh McNear and Mr Marice Neeger, directors of W. H. Smith & Son, have been made directors of W. H. Smith & Son (Holdings).

Mr Melville Johnston is to be retail managing director in succession to Mr Field on February 1, 1982. On that date he will join the board of W. H. Smith & Son (Holdings) and W. H. Smith & Son.

Mr P. J. Doherty has become managing director of Commonwealth Development Finance Company on the retirement of Mr D. F. Pearl on March 31, 1982.

Mr George Woodberry, executive director of Mint Security, has gone on to the board of Securicor

Mr D. A. Shave, Unilever (Raw Materials), has been made president of the Federation of Oils, Seeds and Fats Associations. Mr B. A. Chapman, P.L. Trading (UK), has become vice-president and Mr M. J. Dalton (Percy Dalton, London) Honorary Treasurer.

Mr Frank J. O'Reilly has been named chairman of Uster Bank, a member of the National Westminster Bank Group. Mr O'Reilly has been a director since 1961 and a deputy chairman since 1974. He will succeed Sir Robin Kinahan upon his retirement. Sir Robin will continue as a member of the board.

Mr Nicholas A. W. Wheatley has been made group finance director of Paterson Jenks.

Mr Dennis Berson is now director of personnel, Plessey Electronic Systems.

Mr Arnold J. Grayson has become director of Research and Development, Forestry Commission, in succession to Mr David R. Johnston.

Mr Robin M. Andrews is to become chairman of Resurces Capital. He has resigned from Walwyn, Stodgell, Cochran Murray & Company.

Mr Peter Pitman is now deputy chairman of Pitman and Mr Mark Pitman and Mr Giles Pitman joint group managing directors. Mr Donald Davis has for personal reasons resigned as group managing director and as a director of the company.

Bank Base Rates

ABN Bank	15%
Barclays	15%
BCCI	16%
Consolidated Crds	16%
C. Hoare & Co	15%
Lloyds Bank	15%
Midland Bank	15%
Nat Westminster	15%
TSB	15%
Williams and Glyn's	15%

* 7 day deposit on sum of £20,000-£99,999 14% over

M. J. H. Nightingale & Co. Limited									
The Over-the-Counter Market									
High	Low	Company	Price	Chg	Gross	Yld	%	P/E	Dividend
114	123	ABE Hldgs 10% CULS	110	—	10.0	9.1	—	—	—
76	79	Airsprung Group	70	+1	4.7	6.7	11.1	15.4	—
52	21	Armstrong & Rhodes	44	—	4.3	9.8	3.7	8.3	—
292	224	Barclay's	193	+1	9.7	5.0	9.4	11.4	—
194	68	Debonch Services	97	—	5.5	5.7	4.8	9.1	—
126	68	Frank Horsell	114	+1	6.4	5.6	10.3	24.8	—
110	22	Frederick Parker	60	—	1.7	2.8	26.1	—	—
112	59	George Blair	50	—	—	—	—	—	—
112	53	IPC	56	—	7.3	7.6	3.0	6.8	—
113	50	Jackson Group	96	—	7.0	7.3	3.0	6.8	—
120	103	James Burroughs	108	—	8.7	8.1	7.9	9.9	—
354	24	Robert Jenkins	285	—	31.3	11.0	4.0	10.1	—
59	53	Suttons "A"	53	-1	5.3	10.0	8.2	7.6	—
221	157	Torday Limited suspended	—	—	15.1	8.1	7.2	12.4	—
20	8	Twinkl Ord	125	—	—	—	—	—	—
90	65	Twinkl 15% ULS	75	—	15.0	20.0	—	—	—
56	74	Unilock Holdings	35	—	3.0	8.6	6.3	10.6	—
103	81	Walker Alexander	84	—	6.4	7.6	5.5	9.8	—
263	181	W. S. Yeates	226	—	13.1	5.8	4.3	8.7	—

Mr. J. H. Nightingale & Co. Limited
27/28 Lovell Lane London EC3R 8EB Telephone 01-621 1212

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Mr. J. H. Nightingale & Co. Limited
27/28 Lovell Lane London EC3R 8EB Telephone 0

BY THE FINANCIAL EDITOR

Where next for the money supply?

The Governor of the Bank of England told the assembled throng at the Mansion House last night just why interest rates had had to be hoisted in the depths of recession. He even took a leaf out of the Prime Minister's book by asking: What was the alternative? What he did not venture were any thoughts on where monetary policy and interest rates might go next. Not, of course, that such public pronouncements are his brief. That particular role falls to the Chancellor; and some time over the next month he and his colleagues are presumably going to have to make up their minds on a whole range of policy statements to the reassembled Commons on such issues as public spending and the roll-over of the present monetary targets.

As far as the monetary targets go, the problem is anything but straightforward. Yesterday's full banking statistics for the month to mid-September confirmed a further large increase in sterling M3 by 2.1 per cent. That brings sterling M3 growth in the seven months since the present target period began to just over 10 per cent, or an annualized rate of about 17 1/2 per cent.

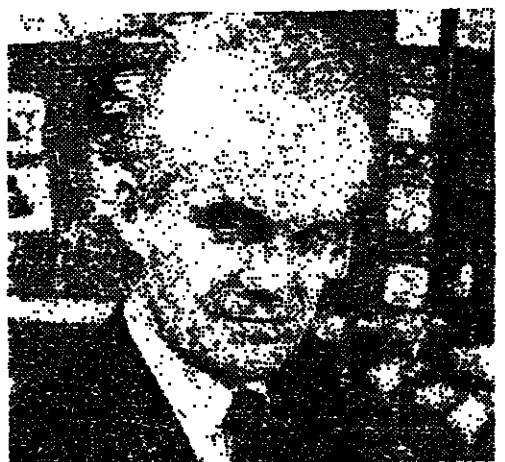
The strong flow of deferred tax from the private sector to the Exchequer over the next few months will, of course, help; so would heavy gilt-edged sales on the back of any general fall in interest rates world-wide. Even so, there is precious little room for any further growth in sterling M3 during the winter and the market is more or less resigned to some degree of overshoot. Excessive underlying growth is only one part of the problem, however. The number of institutions contributing to sterling M3 will increase from November following this summer's recasting of the monetary controls. To that particular problem can be added the issue of the changing nature of banking business. At the moment banking deposits are the only type of deposits that contribute to sterling M3. But the banks have been swelling their deposits simply to pinch business off the building societies. Clearly, there is a case for making some kind of allowance for this.

Whether all this adds up to a case for attempting a larger range of monetary targets in future is a moot point. The Governor's speech would not seem to point in that direction however. Rather, he sees the kind of flexibility that a monetary authority needs as being the ability, in the short term, to be able to take account of factors beyond domestic monetary conditions, not least external developments that affect the exchange rate.

Hanson/Berec

Drawing the battle lines

Hanson Trust's £70m bid for Berec looks like developing into an intriguing battle. Despite the turmoil in the stock market since the bid was launched Berec's price has stayed obstinately above the 105p cash offer and the 200,000 shares Hanson picked up yesterday taking its stake to 15.2 per cent were the first it has bought since it announced its bid. It is hard to imagine that Berec's shareholders feel any great loyalty to a group which has shown such a dismal performance in recent years and although Berec claims to have now turned the corner, the half-year profits to the end of August showing a drop from an already depressed £3.25m to £2.2m are nothing to write home about.



Mr. Colin Stapleton, chairman of Berec

The refusal of Berec's shareholders to sell in the market seems to be more an indication that the canny Hanson is once again trying to pick up a company with a strong market position and good brand name at an opportunistic price and at this stage most are going to hold out in the hope that Hanson will improve its terms or somebody else will emerge. Berec is promising its shareholders all kinds of jam tomorrow. Helped by greater efficiency profits should be back up to about £14m this year, the dividend

will be restored to at least 7.85p gross — although it probably will not be covered by current cost earnings — and thereafter start-up costs will fall off sharply, the benefits of capital spending will work through, profits should rise and the group should be generating surplus cash.

Compared with the 105p cash offer Berec has assets of nearly 200p a share and the exit p/e ratio on profits of about £14m is only around 11 which is hardly an irresistible offer. Berec is also intending to introduce non-executives to its small executive board which will please those who feel that some new blood was long overdue. And there is little reason to doubt that after the steady decline in profits and dwindling return on capital since 1977 Berec is now set for some recovery. The suspicion remains, however, that Hanson with its fine growth record might make a better job of revitalizing Berec. But Hanson's share offer is now worth only about 98p which is hardly attractive for those who subscribe to this view.

Honda

Victim of the yen

The Tokyo stock market has been dropping sharply in the past few days and one of the casualties as well as one of the causes were the figures from the Honda Motor Company, a bellweather for the Japanese automobile sector and industry as a whole. The results show that not even the all-conquering Japanese are altogether immune from the recession. The Nikkei Dow Average fell just over 140 points yesterday for a drop of 232 in just three days. That compares with the record decline on September 28 when the market lost 302 points on the pessimistic predictions of Wall Street pundit Mr. Joe Granville.

Honda's consolidated net income of \$123.2m (£67m) for the six months to the end of August was virtually half the figure for the comparable period in 1980, even though sales in dollar terms were higher. The company made a forecast of record profits for the year to next February, but admitted forecasts were difficult because of an uncertain yen/dollar exchange rate. The fall in Honda's net income in the first half of this year was mainly due to the yen's appreciation against other main currencies during the period compared with the initial six months of the previous year.

The group said it had lifted its capital expenditure plans for this year to Yen 80,000m from the original Yen 70,000m to boost its motorcycle production capacity at three assembly plants in Japan. As a result total daily capacity at three motorcycle plants will be raised by 10 per cent. The prospect did not rub off on the shares which dropped Yen 23 to 822 on the latest figures.

Mowlem

Benefits of diversification

John Mowlem is doing unexpectedly well this year, and it has still to benefit from the £5.26m rights issue last May. So the 21 per cent rise in turnover to £133m and the 28 per cent gain in pre-tax profits to £3.2m in the half year to June owes something to diversification away from construction into engineering and instruments, and to a limited exposure overseas where others have lost money.

So it looks as if Mowlem is waving goodbye to a stagnant profits record through margins in terms of pre-tax profits to turnover of only 2.4 per cent mean that trifling variations can lead to big swings in profits. Order books are being maintained in real terms and a "satisfactory" outcome to the year is indicated. Meanwhile, the board has made a small United States acquisition to add to the previous year's purchase of Solitec, a civil engineering service company, and most of the right issue money is earning a good return on deposit.

The signs point to pre-tax profits of around £7.3m for the full year against 1980's £5.27m, and if, as at the moment seems likely, tax comes out at 30 per cent, earnings on the enlarged capital could emerge at 28p against 31p.

Sir Michael plays another game of poker with the unions

Within weeks of his arrival at BL in the winter of 1977-78 Sir Michael Edwards (then Mr) took a calculated gamble with his 180,000 workers. He told them that only a drastic reorganization involving 12,500 immediate redundancies would give the struggling motor giant a chance of survival. Sadly, the worst recession for 50 years arrived soon afterwards to make even bigger job cuts imperative.

Against all the odds he battled on from one confrontation to another; and with the promise of jam tomorrow and the stick of dismissal for the backsliders he has gone on winning.

But this is the first time he has threatened what amounts to a complete liquidation of Britain's only contender in the international motor field.

Has he gone too far this time? After three years of imposed low wage settlements (5 per cent, 5 per cent again and 6.8 per cent), one factory closure after another, nearly 70,000 redundancies, the sweeping away of traditional working practices and the curbing of shop steward power, will this be the point at which unions and workers stand and fight?

Today's mass meetings will give an indication of shopfloor support for the all-out strike which their negotiators have called for November 1. But the final decision will still rest in the hands of union leaders like Mr. Terence Duffy, president of the Amalgamated Union of Engineering Workers, and Mr. Alex Kitson, acting general secretary of the Transport and General Workers' Union.

If they decide to give official backing to a strike, it could develop into a long drawn-out affair and it will call Sir Michael's bluff, if bluff it be.

The initial response from Mr. Duffy is not promising. He says that this attempt to bully a long-suffering workforce could be the last straw and he hints that for the first time since Sir Michael arrived his union may support a major strike.

But, privately, Mr. Duffy and other union leaders know from their many meetings with him that for Sir Michael it is an all or nothing matter now. He has told them repeatedly that BL's plight (£225m lost in the first half of this year alone) is so serious that only a superhuman effort will prevent its collapse.

But what has been achieved in the past four years? A long-suffering workforce could be the last straw and he hints that for the first time since Sir Michael arrived his union may support a major strike.

With the ending of car assembly at Speke, Abingdon and Canley, near Coventry, and the planned closure of Rover Solihull next April, BL will be down to two volume assembly plants — Longbridge and Cowley. Jaguar, with the potential to produce only 30,000 cars a year, continues on a separate base at Coventry, but its deluxe products lend themselves to individual handling in a small plant.

The new model strategy, on which Sir Michael has pinned his hopes,



Sir Michael Edwards, chairman of BL, and Mr. Terence Duffy, president of the Amalgamated Union of Engineering Workers, who is angered by "bullying" tactics.

WHERE THE AXE HAS ALREADY FALLEN

Date	Plant	Operation
May, 1978	Speke 2, Liverpool	TR7 production transferred to Canley, Coventry
April, 1980	Van den Plas, London	Daimler Limousine production transferred to Browns Lane, Coventry
September, 1980	Canley, Coventry	Spitfire and Dolomite assembly ends. TR7 transferred to Solihull
October, 1980	Abingdon, Oxfordshire	MG production ceases
March, 1981	Seneffe, Belgium	Knocked-down assembly of Allegro and Mini ends

STILL TO COME

1982	Speke 1, Liverpool	Pressings plant producing panels for most BL models to close. Work to be transferred to Longbridge and Swindon.
	Coventry Engines	Diesel engine and engine component production to be transferred to Longbridge, Browns Lane, Birmingham, and Beans Engineering, Tipton, Staffs.
	Solihull	Rover car production to be transferred to Cowley.

began with a £285m investment to modernize Longbridge and produce the Mini Metro. The new robotized facilities stand comparison with the best Europe and the car they are producing at the rate of 4,700 a week has not only proved immensely popular but marks a big leap forward in BL's drive for improved quality.

It is taking a consistent 7.5 per cent of the British market and will be solely responsible for the company reaching 24 per cent overall of the car market this year.

The Allegro, also made at Longbridge, is coming to the end of its disappointing life and will be phased out next year. The two existing Metro assembly lines are near bursting point, so a third line already being commissioned will probably supplement them in the spring. More versions of the Metro, including a "hotter up" model carrying an MG badge, could see output topping 6,000 a week.

It is also significant that BL has been able to introduce two substantial price rises on the Metro within a few months of each other without any apparent customer reaction.

To the surprise of many, the 21-year-old Mini continues in production and sells well.

Longbridge is also being re-equipped to become the main engine plant for the whole light medium car operation. The other engine plant, Coventry Engines, is earmarked for closure next year.

Longbridge is already well down the path to becoming an integrated car plant and volume producer of engines, while Cowley's contribution to the recovery plans has still to be made. But they will be even more crucial to Sir Michael's hopes of becoming profitable in 1983-84. The Metro has just been phased out there, leaving the Princess (soon to be relaunched in a face lifted version as the Ambassador) the bread and butter fleet car and the controversial Triumph Acclaim.

The Acclaim, that faintly Anglicized version of the Honda Ballade, has led to cries of "Trojan Horse" from continental car makers, particularly the French, who see it as a backdoor move by the Japanese to circumvent their 3 per cent ceiling on Japanese imports. But many of BL's competitors who privately admit that

it was Sir Michael's most inspired stroke yet.

The Japanese ability to manufacture reliable and desirable cars at ex-factory prices up to 40 per cent below the most efficient European makers has frightened makers everywhere.

The Acclaim's target of 3 per cent of the United Kingdom and its fairly low production — 45,000 in its first full year and a potential for about 80,000 — only helps to underpin BL's 20 per cent target.

To obtain the extra 5 per cent which will be necessary to push the group into the black it must have a new contender in the biggest selling sector. This has been long dominated by Ford's Cortina, but soaring petrol prices are forcing demand down market to smaller cars like the still secret but much debated new Cortina.

The LC10 family of light/medium cars is BL's answer. The first model the five-door hatchback LM10 goes into production at Cowley before the end of next year with a target launch date of February, 1983. The second model, the LM11, a conventional four-door saloon, will follow a year later. Between them the two will be expected to reach total weekly production of 5,000. If that materializes, it will transform BL's profit base.

Cowley has another key role to play. Progressively, from the end of next month production of the Rover car range is being transferred there from its traditional home at Solihull.

Solihull quality has been questionable for some years now. Few cars have ever had such a disastrous launch as the SD1. The proud winner of the "Car of the Year Award" in 1977 it was sadly soon known in the industry as "The Mess of the Year" because of its poor quality and finish.

The replacement Rover from Cowley is seen by management there as a personal challenge and they seem to have injected the same attitude into many Cowley workers.

The most decisive factor in BL's survival will be its ability to produce cars which are not only well made but competitively priced. And that means huge improvements in productivity.

The biggest shakeout of labour in the history of the British motor industry, allied to fundamental changes in working practices, has already brought big improvements. In the past year there has been a 30 per cent increase in productivity on the Metro and an even bigger 45 per cent increase at Jaguar.

Cowley is still very much underutilized and will remain so until the LM10 arrives, but the groundwork has been laid for it to follow Longbridge's example.

BL has come a long way since its grossly overmanned and poorly equipped factories turned out the worst cars in Europe. It was then the butt of industry jokers throughout the world. Today it is at least committed to a path which with the help of cooperative deals such as the Honda Acclaim and VW gearboxes for the LM10, many of its critics now concede is a viable formula for survival.

Clifford Webb

Technology

Making sure we pick winners

A new think tank, funded with £1.5m of public money and £2.5m from the Leverhulme Trust, begins work this month. Its brief is to contribute some hard data and solid conclusions to the endless — and so far fruitless — debate about Britain's inability to translate promising research into industrial success.

The Technical Change Centre (TCC) has come into existence because powerful figures in the Whitehall research establishment were tired of the failure of established academic units looking at science and technology policy to come up with findings directly applicable to the British economy.

In spite of the public spending cuts, the heads of the Science and Engineering Research Council and the Social Sciences Research Council were able to conjure money out of the government for their councils to contribute £25,000 each to the centre.

The job of the TCC is officially "to conduct research on the choice, management and acceptability of technical change relevant to the national economy".

The two men responsible for converting that inellegant phraseology into action are the centre's director, Sir Bruce Williams, and deputy director Dr James Kennedy. A professional staff of up to 20 in-house researchers, together with several outside consultants, will carry out their programme from a large Victorian house in west London.

Although 500 people have applied for full-time jobs at the TCC — many with excellent research qualifications — there have been very few with solid industrial backgrounds who are not facing redundancy or early retirement.

"It's very difficult for people to leave a working industrial career to come to an organization like this," says Dr Kennedy lamenting the lack of professional mobility

in Britain. "But we can get round the problem by bringing in people on secondments and temporary attachments."

Sir Bruce, who made his name as a social scientist studying the economics of industrial innovation as a Manchester University professor in the fifties and sixties, was lured back from Australia where he was vice-chancellor of Sydney University, to take the job. Sir Bruce does have government experience too — as economic adviser to the Ministry of Technology before going to Australia.

Dr Kennedy has more direct experience of industry, having been director of research for the Delta Metals Company for the past three years.

Above them is a governing board chaired by Lord Swann. Its members include: Sir Alastair Pilkington and Mr Philip Hughes (managing director of Logica Holdings) from industry; the chairmen of the two sponsoring re-

search councils, and Dr Dursen Davies, the Department of Industry's chief scientist.

The activities planned so far fall into four broad themes. One will be a series of technical studies into the introduction of new technology. The emphasis here will be on Britain's older manufacturing industries which are now in decline, such as steel.

The second theme is the effect of technical change on employment. The TCC will study the balance between the jobs created and lost by new technology.

Third, TCC will assess the extent to which the British educational system is responsible for the country's technological failings. Dr Kennedy warns universities and polytechnics to expect a "short, sharp report" on the subject next year, whose conclusions they may not like.

The fourth theme will be the role of government and national policies in technical change. One project in this area, which may produce controversial conclusions, will investigate the aftermath of the reorganization of

government-sponsored research following Lord Rothschild's report 10 years ago.

In addition to its self-generated research programme, the TCC aims to pick up projects commissioned and paid for by outsiders. Government departments are the most likely early sponsors, but Sir Bruce hopes that industrial companies will bring the centre work after it has been operating successfully for a while.

There are two important conditions attached to sponsored research. The project must be of interest outside the commissioning organization and the results must be published in full. So TCC will not act as a private consulting agency in the way that university research units can.

Obviously the success of the centre will depend on the sympathetic cooperation of a significant number of companies. The centre's staff will need access to the more sordid details of technological innovation, including mistakes that firms would rather forget — otherwise TCC will just be another pointless prod at the raw nerve of Britain's industrial decline.

Clive Cookson

Business Diary: Back flip across the Atlantic

One exile back in the City this weekend is Dennis Weatherstone — and he has a special reason for wanting to be on this side of the Atlantic.

Weatherstone, a Londoner, is now the executive chairman of the blue-chip Wall Street bankers, J. P. Morgan & Co. Next week he is to be found at



Cheryl in competition

Angel Court, Morgan's office in the City, but on Saturday he means to be a little further north, in Mansfield.

Weatherstone is the father of gymnast Cheryl Weatherstone, who will be representing this country in Saturday's contest between the United Kingdom and Switzerland.

He tells me from his Wall Street office that Cheryl is one of the six girls selected to represent Britain in the World Championships in Moscow next month.

Peter Arkroyd, editor of *The Economist*, tells me that "Cheryl is one of our best gymnasts. She has been commuting across the Atlantic like you and I commute by Tube." The Weatherstones remain British citizens.

Not that Weatherstone, 52, could be termed anything but light on his feet. The son of a London Transport labourer, it's barely ten years since he was deputy general manager of Morgan's London office. He gained a reputation for stitching up foreign money loans and credits for multinationals (among them ICI), whereupon Wall Street beckoned and he is now a member of Morgan's Top Four.



Dennis Weatherstone

Sales resistance

BL may have every right to be pleased with the success of the Metro, but the company's fiercest critics — Ford of Britain — thinks that the latest piece of BL advertising is going too far.

On reading BL's claim that the Metro is Britain's best-selling car, affronted Ford executives lodged a formal protest with the Advertising Standards Authority.

The copy in the offending advertisement qualifies the point in the headline by stressing that the Metro is the best-selling British-built car,

but Ford still maintains that BL has insulted its Cortina and Escort, the models which, in overall market terms, top the United Kingdom sales league.

The BL exercise is clearly designed to take a swipe at the Ford practice of importing large numbers of cars from its other European plants. After excluding these, BL's point about British-built Metros might stand up.

In the first nine months Metro sales totalled 89,758, against 84,731 United Kingdom-built Escorts and 77,522 Cortinas. The latter figure represents just 60 per cent of total Cortina sales in the United Kingdom during that time.

No doubt Ford will also be keeping a close watch on future advertisements for the new BL Triumph Acclaim. Since its launch BL has studiously avoided any reference in the car's sales blurb about its Japanese pedigree.

The result of this year's new Beaujolais race seems to be a foregone conclusion. Anchor Hotels have made themselves odds-on favourites by hiring the Red Arrows to whisk the first few bottles over from France.

All change

Amid all the confusion and controversy over the GLC's new low fares, it is curiously reassuring to find that the peculiar quirks of London Transport staff have not changed.

A friend travelling by Tube from Hammersmith to Kenilworth asked for an 80p return fare and proffered a £1 note.

The man at the ticket kiosk said he did not have sufficient change. Could she pay at the other end?

But if she paid at the other end, she would not have been able to claim a return fare, and would have had to pay 60p each way; so she asked how much change he had.

When the official said he had 20p, she exclaimed with some relief: "But that's just right." "Oh no," came the reply. "If I gave you that, I wouldn't have any change for the other customers."

As Eric Morecambe might say: "There's no answer to that."

Gin and French

This Christmas the air could be full of flying bottles. At last the drinks trade has come up with its answer to Inter-

flora and next month will see the public launch of a new enterprise called Drink-Link, a gift service appropriately symbolized by a bottle with wings.

Drink-Link and its member shops — there are some 1,500 so far — will accept orders from the public which will be filled by members in other parts of the country.

Now that it costs about £2.50 to send a single bottle by post, a scheme that cuts out carriage and packing costs has obvious advantages.

The partners in the project are David Markson, the managing director, and Lord French, descendant of the First World War general, who prefers that title to his full one, which is Earl of Ypres.

Drink-Link will be accepting orders direct from credit card holders and from business customers.

A friend stepped off a flight from America at Heathrow swearing that at one stage the stewards, having asked passengers to put out their cigarettes, had added: "I won't say it again." BA says it will take more care of you — evidently, just as much as nanny did in the nursery.

Ross Davies.

Hill Samuel Base Rate

With effect from the close of business on October 16th, 1981, Hill Samuel's Base Rate for lending will be reduced from 16 per cent to 15 1/2 per cent per annum.

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The world champion who was less than the silver apple of John Bull's eye

Why the judo girl threw it all up

It was the indifference to her achievements that hurt most when Jane Bridge returned to Britain as a 1980 world champion. It was an indifference that drove her temporarily out of her sport and although she is now back in both competition and training, the hurt lingers.

"When I came back to nothing," she says, "in England, if you are not a footballer or an athlete, you are not really. Being a world champion didn't help me at all. I was just in the same position as if I had lost. I think you should get recognition for what you achieve."

New York and the inaugural women's world championships last year represented the climax of months of preparation for Miss Bridge. She won the under-48 kilo category, as well as a silver apple presented by the Japanese Embassy in the United States for having the best technique in the competition.

She fought while suffering from Bell's Palsy, an infection which paralysed the right side of her face and meant that her participation had been doubtful since she could not blink. Fortunately, some movement returned to her eyelid in time for her to compete.

She came back to a deafening silence and in her disappointment returned home to Rawtenstall, in Lancashire, and her parents, and retired. "I decided I needed a career," she says. "I don't think anybody can work and train at the same time and be the best."

So it was back to college, to study for A levels in the hope of becoming a physical education teacher. The silver apple may have been put away in a drawer, but the love of judo remained. "I am lucky, I enjoy it, whether I win or lose. You don't do it for fame or money, because you don't get either."

About a month ago, she began training again and, by Saturday, still not completely fit, she competed in the British Open championships at Crystal Palace, winning four events out of five. "I got bored, so I came back," she said.

Ahead lie the European championships, in Norway, and

the second world championships, in Paris, both next year. Provided she can get back into the British team in her under-48 category, the final of the weight at Crystal Palace was contested by two Britons, Karen Briggs and Sandy Fry, and supplanting one of them is her immediate aim.

Roy Inman, who is in charge of the women's squad, thinks that she is one of the best Britain has ever produced, including men. "She has the highest skill range I have ever seen," he says.

"She's strong, but you are never conscious of it. She'll move around the mat a lot, and then suddenly strike. She's been watched by everybody and they think they know her style. At the world championships, she won three matches with her groundwork, although she was better known for her throwing skill."

She started judo 11 years ago at the age of ten, encouraged by parents who had both enjoyed the sport. In 1975, at 15, she won the German Open, her first major success, and a year later was British and European champion. She has already won the British and European titles three times each.

Most women who take up judo do so for self-defence, although five-foot-tall Miss Bridge did not. "I look on it as my life and my hobby." Increasing numbers of women are involved, the British Judo Association estimates is that about a quarter of their membership of 85,000 is female and that there are many more judo-ka who are not registered. Many of the women who perform have been put away in a drawer, but the love of judo remained. "I am lucky, I enjoy it, whether I win or lose. You don't do it for fame or money, because you don't get either."

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Ahead lie the European championships, in Norway, and



The girl who socked it to them. There is a bit of the Tarzan in Jane Bridge. Photograph by Tommy Hindley.

feel it is an unfeminine sport, but some people still seem to think it is a bit. I think some men still look on women's judo as rubbish," Miss Bridge said.

People in the sport say it is not particularly dangerous, although according to Roy Inman "At one stage, when it was in its infancy, women's judo used to be like the Vietnam war."

Miss Bridge said: "I think it is true that women

fight more viciously than men. I think we are more determined."

"I am not really a feminist, though," she added, with a side-long glance that suggested otherwise. "I think women should stay home all day and keep the house clean." The smile as she spoke said enough.

Paul Harrison

Rugby League

Referees keep a hard line

By Keith Macklin

The hard line on scrummaging is to continue. At the meeting between senior referees and the League's executive committee, it was agreed there had been a noticeable improvement in scrummaging since the start of the season and the ruthless application of scrum laws.

The secretary of the senior referees, Gerry Edwards, told the meeting, however, that while some referees were applying the laws strictly, others were being lenient, and a firm ruling was needed to ensure consistency. David Howes, the League's relations officer, said yesterday: "There is encouraging evidence that scrummaging is improving. It is obvious that there are still doubtful areas and we want all referees to apply the scrum laws ruthlessly."

"One of the benefits of the campaign has been that half backs have more room to move, are getting more space, and as a result are making play for the three-quarters, direct from the scrums."

The Whitehaven versus Hull Kingston Rovers game was abandoned eight minutes from time last Sunday when Arnold Walker, the Whitehaven scrum-half, sustained what appeared to be a serious neck injury. This fear was fortunately unfounded and the match is to be replayed because the 5-5 score was so close that, with eight minutes to go, either side could have scored.

The appeal of Paul Woods, the Cardiff scrum-half, has been postponed until next Monday to allow Cardiff directors to appear before the appeals committee.

Baseball

Records fall to Yankees

New York, Oct. 15.—The New York Yankees have taken a 2-0 lead over Oakland A's in the American League play-offs, while the Los Angeles Dodgers and Montreal Expos are level 1-1 in the National League play-offs.

The Yankees' victory was a 2-0 lead and proved to be all they needed as they won their first game here since 1979. Valenzuela gave up all three runs and seven hits during the seven innings he pitched. Buerkle, the Expos' starter, yielded only five hits.

Needles and Piniella slugged three-run homers as the Yankees overwhelmed the Oakland A's. The Yankees pounded 19 hits off five Oakland pitchers, including four each by Nettles and center-fielder Humphrey. Needles, aged 37, the Yankees' third baseman, also set a Yankee play-off record when he stroked two hits during the fourth inning. The Yankees' total number of runs and hits set an American League championship series record.

In Los Angeles, base-hits by Cromarrie and Raines in the third and fourth games became an economy overdrive. The engine transmission combination is said to increase fuel economy by 13 miles a gallon, or 21 per cent.

The Formel E Passat has a 4+E box, with fifth as an economy overdrive. Volkswagen recommends that cars should be driven in E gear from 40 mph upwards to make the maximum fuel savings, and points out that a further consequence of reducing engine speed is quieter running.

The Passat box requires no adjustment in driving technique and can be treated as a normal five-speed, except that fifth is geared so high that it is necessary to change down when climbing a hill or overtaking. A corollary of this type of box is more frequent changes.

The 3+E on the Jetta is a rather different experience. In producing what is, in effect, a three-speed box, Volkswagen has left a big gap between second and third and this has to be allowed for. Again the E

Motoring by Peter Waymark

VW finds little enthusiasm for 30% fuel saving

Offered the chance, at modest extra cost, of a car that will give up to 30 per cent better fuel consumption with no loss of performance, it might be thought that motorists would jump at the idea. Volkswagen is discovering that it is not necessarily so.

About a year ago, Volkswagen introduced special economy versions of most of its models under the name Formel E (formel is the German word for formula and the E stands for energy conscious). The fuel savings were not just manufacturer's claims but substantiated by official test figures.

German motorists, however, have been somewhat sceptical. Only 12 per cent of Passat buyers have chosen Formel E and a mere 8 per cent of Golf customers. Volkswagen says it is not disappointed, since new concepts take time to catch on; but it must be wondering about the rewards of virtue.

Now Formel E is available in Britain and it will be interesting to see whether British motorists are more receptive to the idea than the Germans. The importers are cautious about setting sales targets but another jump in the price of petrol could settle the argument.

Formel E is a package of fuel-saving measures which differ from model to model but include aerodynamic improvements, special high ratio gearboxes and, on the Passat, a stop/start system which allows the engine to be turned off while the car is waiting in traffic.

The aerodynamic changes are the simple ones of fitting a large front spoiler and, on the Golf and Jetta, putting extra trim along the pillars on each side of the windscreen. On the Golf, the effect is to reduce the drag coefficient by 10 per cent and that alone produces a four per cent improvement in fuel consumption.

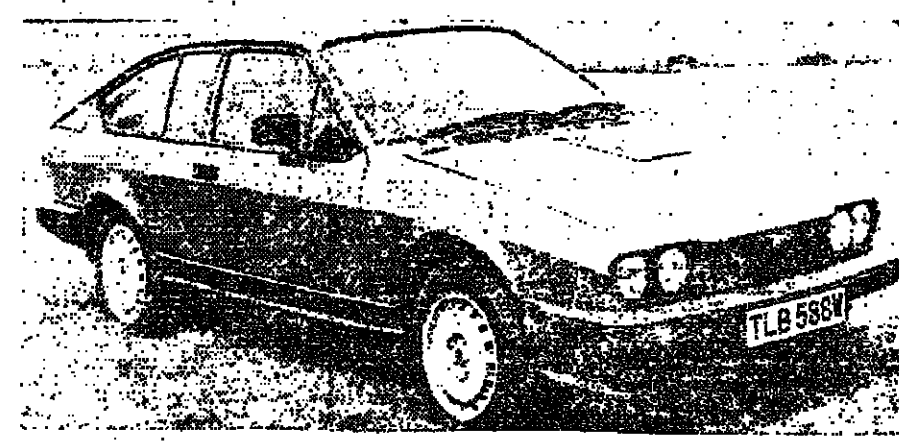
Formel E versions of the smaller cars — Polo, Derby, Golf and Jetta — have a high compression 1.1 litre engine, with modifications to the ignition, distributor, carburettor and piston. Camshaft changes have increased engine torque in the lower and middle ranges.

The engine is mated with what Volkswagen calls a 3+E gearbox. The ratios have been changed so that maximum speed is reached in third and the fourth gear becomes an economy overdrive. This engine transmission combination is said to increase fuel economy by 13 miles a gallon, or 21 per cent.

The Formel E Passat has a 4+E box, with fifth as an economy overdrive. Volkswagen recommends that cars should be driven in E gear from 40 mph upwards to make the maximum fuel savings, and points out that a further consequence of reducing engine speed is quieter running.

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Alfa Romeo GTV6 — Performance at a price

gear is for cruising, rather than power, and the box requires more work than a conventional design.

Formel E's main novelty is the stop start system. Volkswagen engineers reckon that if a car stops for more than five seconds in traffic, fuel can be saved by switching off the engine. The average wait at traffic lights, apparently, is 25 seconds.

The driver can cut the engine by touching a button at the end of the steering column stalk which incorporates the wiper control. Restarting is a simple matter of depressing the clutch and touching the accelerator. At least that is what Volkswagen claims: my early attempts suggest that the manoeuvre requires some practice.

Full use of the system is said to improve fuel consumption in town by up to 30 per cent and while the engine is not running there are no exhaust gases to pollute the atmosphere. An electronic control ensures that the system operates only when the vehicle is at a standstill.

Despite some minor reservations, Formel E is an impressive achievement. To give a couple of examples, fuel consumption on the Polo is improved from 31 mpg to 40.4 on the urban cycle and from 32.5 to 39.8 at 75 mph. The Passat's town figure goes up from 26.6 mpg to 31.7 and the 75 mph return from 31.4 to 36.2. Acceleration times and top speeds are virtually the same.

The only disadvantage is that the Formel E cars cost more: the difference is £100 on the Polo, £150 on the Jetta and £210 on the Passat. But even for a low mileage driver, the fuel savings will soon begin to pay.

Road Test:

Alfa Romeo GTV6

■ The Alfa Romeo GTV6 which was originally launched five years ago with a modest 1.6 litre engine, has now been given the 2.5 litre from the big Alfa 6 saloon. The result of putting such power into a bodysell less than 14 feet long is not surprisingly a vehicle with outstanding performance but the car is expensive and shows its age in some important areas.

None of the doubts surrounds the engine itself. With six cylinders, fuel injection and an output of 160 bhp, it not only gives brisk acceleration through the gears (0 to 60 mph in just over eight seconds) and a high top speed (128 mph) for those who can use it but also just as welcome, impressive torque.

Given the power/weight ratio and what would seem to be an ideal aerodynamic shape, fuel consumption is a little on the heavy side. In town driving I managed barely 20 miles a gallon, although liberal use of the fifth gear, which cuts engine speed to just over 3,000 rpm at 70 mph, gives a touring figure of around 26 mpg.

It has to be said that driving enjoyment is seriously impaired by the awkward gearbox. Until the box has warmed up, first and second are particularly difficult to engage, while getting reverse at any time requires extreme patience and not a little physical effort.

A further criticism must be directed at the steering, which could possibly do with power assistance to take out the heaviness and compensate for the low gearing. This matters less when the car is on the move than when parking but a lighter and more positive response would be more appropriate to the car's performance.

As for handling in general, the wide tyres certainly stick to the road but the car does not have that marvellous tautness of its smaller sister, the Alfaud. The all-disc brakes are fully up to the task.

The De Dion rear axle gives a firm ride, as might be expected of a sporting car, but not, on the whole, an uncomfortable one. There is, though, a feeling of inadequate damping on rough surfaces.

Despite steering wheel adjustment, the GTV6 suffers a common characteristic of so many Italian cars in being apparently designed for people with long arms and short legs. It is difficult to find an ideal driving position. A further drawback of the cockpit layout is the poor positioning of the instruments and controls.

The car has two side doors and a tailgate. The front seats fold forward to give reasonable access to the back, but once there anyone of medium build and over 150 lbs is likely to be pushed for head and legroom. In other words, this is little more than a two-plus-two.

In sum, the GTV6 does what it is supposed to — provide excellent performance — and it is an Alfa Romeo, and that there are few more glamorous marques. But on strict value for money, the Ford Capri 2.8 Injection would seem the better buy. It gives similar performance with more comfort and a folding rear seat, and undercuts the GTV6's price of £9,495 by a full £1,500.

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Edited by Peter Davalle

1.45 1981
Festiva

clarinet, cello and piano:
Brahms, *Phyllis Tale*, Brahms.
3.15 Stravinsky *A performance of*
the *Symphony in E flat Op. 1*.
4.00 Catherl Evensong *in* Chester
Cathedral.
4.55 News.
5.00 Mainly for Pleasure *+*
6.55 Play It Again! Preview.
7.00 The Quest of the Golden Girl.
7.30 Miriam Fried and Garrick
Ohsson *+* direct from the
Broadcasting Centre, Birming-
ham. Part 1: Schubert, Ned
Rorem (first broadcast performance
of his 1971 work called
Day Music.)

8.30 Racialist Part 2: Beethoven, the sonata in A, Op47 (Kreutzer).
9.15 Music in our Time † "Musica Nova 1981" Concert from the fifth Festival of Contemporary Music. Lutoslawski, Milton Babbitt, Alexander Goeyn.
10.30 The Great Wall of China by Franz Kafka. Read by Hugh Dickson.
11.00 News.
11.05 Franz Xaver Mozart † on record.

WSP ONLY: Open University 8.55-9.55 am and 11.15 pm-12.55 am.



Edward du Cann: Any Questions? (Radio 4, 8.30 pm)

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BBC Radio London MF 1458kHz/2

TYNE TEES

As London except: Starts 9.20 Good Word, 9.25-9.30 News, 1.20-1.30-News, Lookaround, 5.15-5.45 Mickey, Donald and Friends, 6.00 News, 6.02 Sportstime, 6.30-7.00 Northern Life, 8.00 Roots, 8.30-9.00 Kinwig, 10.30 News 10.32 Film: Dial a Deadly Number (Gary Collins, Gemma Jones, 12.01).

HTV
As London except: 1.20pm-1.30 News.
1.15-5.45 Bless Me Father. 6.00
Shirley. 10.28 News. 10.30 Report
Extra. 11.00 Film: Virginity (Vittori-
o Gassman, Ornella Muti) A Sicilian
ruler's lusty backdoor behind him, until
a distant count arrives. 12.30
Closedown.

HTV CYMRU/WALES
As HTV West except: 10.48am-1.03 Y
Dydd At Bethu. 11.34-1.49 Ab yr
Ynnwr. 12.00-12.10pm Ffistola m
1.30-2.00am Under Marnning. 1.15-4.45
Lawr Yr Afon Tarn. 6.00-6.15 Y Dydd.
6.15-9.30 Report Wales. 6.30-7.00 Dat
10am. 10.30-1.00 Orllo. 1.00-1.10

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Classified Guide

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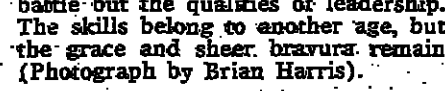
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Ford said that playing football was not allowed inside the Halewood plant and was unknown.



Normally, secret documents are made public after 30 years.

Late development: the current issue of *History Today* has an article by the historian, Mr John Vincent, entitled "Was Disraeli a failure?", and argues persuasively that he was. So disregard all theories above, both wet and dry.

[illegible]